FBIS **DAILY REPORT**

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REAGAN PEACE PLAN 'PARALYZED' C.A. MEETING

PA051940 Buenos Aires REUTER in Spanish 1852 GMT 5 Aug 87

[Text] Guatemala City, 5 Aug (REUTER) -- President Reagan's Nicaraguan peace proposal today paralyzed the meeting of Central American foreign ministers, who yesterday began a 2-day advance session of the Central American summit. The summit is scheduled to begin tomorrow.

According to the Nicaraguan Government spokesman Manuel Espinosa, only the Nicaraguan foreign minister, went to the meeting room on time. [Words indistinct] stayed in their rooms [words indistinct] and now they are attempting to have Reagan's proposal or the Reagan Plan discussed at tomorrow's meeting, thus pushing aside the Arias Plan and the Contadora Document," he added.

The Honduran, Salvadoran, Costa Rican, and Guatemalan foreign ministers told newsmen that the Reagan proposal [words indistinct] of the key elements in the Central American conflict, and that it should be taken into consideration. In any case, the foreign ministers said, Reagan's proposal will be examined along with the Arias plan and the Contadora Document.

After meeting at noon with President Vinicio Cerezo, the foreign ministers will resume their conference, during which observers will undoubtedly discuss whether to include the Reagan Plan in the agenda of tomorrow's presidential meeting.

Plan Not Included On Agenda

PA051934 Panama City ACAN in Spanish 1907 GMT 5 Aug 87

[Text] Guatemala City, 5 Aug (ACAN-EFE) -- The Central American foreign ministers and presidents will not analyze the peace initiative proposed today by U.S. President Ronald Reagan even though the plan has only been rejected by Nicaragua.

Guatemalan Foreign Minister Mario Quinones Amezquita told ACAN-EFE that "we have not officially learned of President Reagan's plan" but in my opinion, "any peace proposal is welcomed."

The Central American foreign ministers met for 1 hour at noon with President Vinicio Cerezo in his office in the Government Palace. However, the topics discussed at the multilateral meeting were not disclosed.

Nevertheless, everyone agreed that Reagan's plan for peace in Central America "has positive aspects," but it will not be included on the agenda.

Only Nicaraguan Foreign Minister Miguel D'Escoto described the peace initiative as "extremely discourteous and a very rude maneuver on President Reagan's part."

URNG COMMAND REITERATES DIALOGUE PROPOSAL

PA030239 Havana International Service in Spanish 2300 GMT 29 Jul 87

["Our America" commentary read by Manolo Ortega]

[Text] Recently, the URNG General Command again proposed to President Vinicio Cerezo a dialogue of all the country's political and social forces to build peace and democracy.

Initially, the dialogue proposal was made by the rebels in October 1986, and it has been repeatedly reiterated, but the government has rejected the proposal.

This time, the proposal is preceded by a serious analysis of Guatemala's internal situation. The analysis reveals that the authorities have strengthened their position concerning the armed conflict and are preparing an increase of repression against the people.

The increasing number of abductions and missing people show that not only do the constant rights violations continue, but that there is increasing repression against varied sectors of the population, which is suffering from the effects of an unprecedented economic crisis.

In a document on the new dialogue proposal, the URNG General Command said that the new situation worries large sectors of the population, which are realizing that if the country continues on the same path, it will not contribute to resolving problems. On the contrary, problems will become more serious, thus prolonging the crisis and increasing conflicts within Guatemalan society.

Therefore, the Guatemalan rebel movement again proposes to talk with the government to attain solutions for the country's problems. The guerrillas stressed that the proposal is not a demonstration of weakness because in the last few months the guerrilla movement has defeated all counterinsurgency operations carried out against it.

The Guatemalan guerrilla movement added that it is possible to attain a valid resolution of the country's serious crisis through dialogue and that it is possible to attain a political resolution of the conflict as long as real actions guarantee respect for political will and decision.

Clearly and far from any simplistic view, the URNG added that because of country's serious political, economic, and social problems, we cannot even hope to reslove the conflict by initiating a dialogue, but this action could be the basis for the construction of true democracy and peace.

We must bear in mind that although the Guatemalan Government has not yet responded to the new guerrilla proposal, on other occasions the dialogue has failed because the president has rejected it.

Last year, while he was on a European tour, President Cerezo said he would initiate talks with the rebels, but 1 month ago he said rebels must lay down weapons before any dialogue is established.

That imposition was fully rejected by the guerrillas because, the rebels said, the sociopolitical conditions that gave birth to the struggle still exist, with a further aggravating circumstance: Military men continue to hold power despite the civilian government.

To conclude, the rebel document says: If the government has a true political will to build true democracy, it must accept dialogue to initiate the resolution of the internal, armed conflict and the national crisis. That is the only way to build democracy in Guatemala and offer a true and efficient contribution to peace in Central America.

RECENT HAITIAN 'POLICE REPRESSION' VIEWED

PA040257 Havana International Service in Spanish 2300 GMT 30 Jul 87

[Text] Haitian policy repression has caused 18 more casualties in the last few hours. This time eight persons were killed and two others injured in Port-au-Prince, the capital, when soldiers fired on a demonstration in which people were voicing their condemnation on the 30th anniversary of the creation of the Duvalierist paramilitary corps, the Tonton Macoutes. In July 1957 the late Francois Duvalier created this paramalitary corps, which became notorious in Haiti for killing thousands of people and which still today continues to sow unrest among opponents to Duvalier's policies that are still being carried out.

The Tonton Macoutes are blamed for the assassination Monday of 10 peasants who were returning home from the Jean-Rabel hospital, where they were recovering from the wounds they had received during the massacre last Thursday in that town.

Haitian religious and democratic leaders blame the National Government Council for promoting the terrorist actions of the Tonton Macoutes, who were thought to have been disarmed after former dictator Jean Claude Duvalier fled to France in 1986.

Today those groups also contribute to the maneuvers of the current regime to remain in power, just as was the case with its predecessors. However, until now the people's movement that was set off earlier this month in Haiti has not been silent. There are new demonstrations each day in which the resignation of the National Government Council and the suspension of U.S. support are demanded.

COMMENTARY IMPLICATES CIA IN BOSCH RELEASE

FL052252 Havana Radio Rebelde Network in Spanish 1700 GMT 5 Aug 87

[Station Commentary]

[Text] The Venezuelan courts, after more than 10 years of delays and legal tricks, have just freed one of the masterminds behind the explosion of the Cubana de Aviacion airplane in 1976. The person is Orlando Bosch, a counterrevolutionary of Cuban origin. As for the other genocidal person who inexplicably managed to escape from a maximum security prison in as-yet-unexplained circumstances, no ruling was issued.

The court, upholding the decision of the lower court issued in June 1976, has imposed a sentence of 20 years in prison on the active participants in the crime: the Venezuelans Freddy Lugo and Hernan Ricardo.

What is the significance of this ruling from the viewpoint of morality and justice? Does it mean that punishment should be meted out to those who pull the trigger, but not to those who plan the massacre of innocent people? Why have the Venezuelan courts, which found Freddy Lugo and Hernan Ricardo guilty, failed to apply the maximum sentence allowable under Venezuelan law? Doesn't the murder of 73 people deserve the maximum sentence? Why has one of the masterminds been acquitted?

Much ethical and juridical reflection should be done in regard to this ruling and this trial, followed by the international community for more than 10 years. At that time, the case was transferred indiscriminately from civil to military courts. Many judges refused to hear the case. There were escape attempts, the last one successful, and for some time it has been leaked to the press that the genocide planners would be released.

The Venezuelan prosecutors themselves have said that there is irrefutable evidence in the files that prove that Orlando Bosch and Luis Posada Carriles were the masterminds of the crime in Barbados. Why was this evidence disregarded?

It is known that Orlando Bosch and Posada Carriles are linked to the Central Intelligence Agency, and no few observers have said that the CIA has taken steps to ensure the acquittal of some of the massacre's masterminds.

No sentence can compensate for the sorrow of nations and families that lost 73 valuable sons without even the consolation of receiving their corpses. However, in very few criminal cases like Barbados have there been so many pieces of evidence permitting the culprits to be identified and even making it possible to determine that the operation was ordered by the CIA, as one of its officials declared to the U. S. Senate.

The Venezuelan courts wil be subjected to questioning and criticism. The principle that crime does not go unpunished has been negated.

HAITI

DEMOCRATIC PARTY'S NARCISSE REJECTS DEPORTATION

FL050234 Port-au-Prince Domestic Service in Creole 1300 GMT 4 Aug 87

[Text] The subject of the National Government Council's [CNG] deportation decree, Mr Daniel Narcisse, has issued a press statement.

The CNG has just taken measures to expel me from Haiti. With this decision, the Macoute government in trying to shut me up. They want to eliminate me from the political scene and to put an end to the political practices I am employing for the triumph of democracy in Haiti. Through this action, Generals Namphy and Regala are trying to get back to me.

It is indeed true that ever since I returned to Haiti, I have been participating in all the struggles of the Haitian people. As president of the Haitian Democratic Party and coordinator of Liaison of the Democratic Forces, I have been accomplishing work in the areas of civic education, political organization, consciousness-raising, and social mobilization of the masses. In that work, I identify with the people and that's how I have become a national figure in the people's struggle, in the resistance to the dictatorship and the Macoutes.

The political work of denunciation of the fascist regime of Namphy and Regala that I, together with other compatriots, have accomplished, has contributed greatly to isolate and weaken the CNG.

Daniel Narcisse's statement continues: Banishment is a weapon which fascists habitually use, together with censorship, corruption, and repression in general, in order to disorganize the people's struggle.

Twenty years ago I was expelled from the country. After spending 9 months in the Brazilian Embassy, I had to go into exile in order to save my life. Today the Macoute government is blithely trying to throw me out again. I made many sacrifices in order to return to Haiti.

I broke off all my relations in foreign countries. My wife and two children -- one 4, one 5 year old -- followed me here. The CNG's arbitrary measure caused panic and great anxiety in my family.

The CNG didn't concern itself with form in its attempt to rid itself of my presence in Haiti. The government doesn't care about the fate of my students at the National Institute for Management and Higher International Studies. [INAGHEI], who are receiving instruction that everyone appreciates. It doesn't care about my research on urban poverty, which has been very helpful to people living in poor sections of Port-au-Prince, and which has permitted a reorientation of the Ministry of Social Affairs' program for the rehabilitation of marginal areas. And I wish to point out that I teach at INAGHEI as a Haitian, through regular appointment by the Ministry of Education and not under contract as a foreign instructor.

Further along in his statement, Daniel Narcisse declared: The expulsion decree against me is unfounded and unconstitutional. The CNG says that I am a Canadian citizen and that I have been making public statements in which I call on people to revolt. Since I am a Haitian citizen, there is nothing to prevent me from making public political statements or struggling democratically against a fascist and Macoute government that is oppressing the people.

Minister St Fleur is lying when he says there is no file on me at the Justice Ministry. He deliberately refused to answer my request because I am involved in the political struggle of opposition to the CNG.

In fact, on two occasions, in February and in May of 1987, I deposited at the Ministry of Justice two letters in which I renounced my Canadian citizenship. One of the letters was executed and authenticated by a notary public. I have already sent the press copies of those two letters which bear the stamp of the Ministry of Justice showing that they were received. In renouncing my Canadian citizenship, I followed to the letter the clauses of the Constitution, which says in Article 286 that any Haitian who adopted a foreign citizenship during the 29 years preceding 7 February 1986, can recover his Haitian citizenship and all prerogatives it entails, by making a statement before the Ministry of Justice within 2 years from the date of the publication of the Constitution, in conformity with the law.

Article 56, which was invoked against me in the decree, does not apply in my case, because I am not a foreign citizen but rather a true Haitian.

While the government is applying Article 56 without reason against me, I must point out that there are many Haitian citizens with Canadian or U.S. citizenship occupying certain political positions, such as that of advisor to Namphy and Regala, director general of a ministry, member of a department staff of certain ministers, high-ranking cadre in the Ministries of Information, Education, Foreign Affairs and Social Affairs, and at the national television station. Also, there are certain appointed officials or elected members of the Constitutional Assembly and certain members of the Consultative Council, who have dual nationality and have never renounced either nationality. I have nothing against those citizens, but I must point out that they too are participating in politics in Haiti and yet they have not been given a deportation decree. Article 56 has not been applied to them. The CNG does not consider the matter of nationality a problem when the people concerned are on its side. This is a policy of two different weights and measures.

As regards to the alleged public appeal to revolt that Narcisse is said to have made, Narcisse says that he categorically denies the accusation. He says he is waging a legal political struggle. All his actions fall within the framework of the Constitution. The Haitian Democratic Party, Liaison of the Democratic Forces, and the Group of 57, to which he belongs, are all organizations imbued with the principles of nonviolence. What the CNG is trying to make look like revolt is, in fact, the peacable and democratic struggle that citizens are waging in order to force the CNG to respect the Constitution with a view to satisfying the demands of the Haitian people.

Narcisse continues: The CNG has been persecuting me ever since I returned to Haiti. The very day I arrived in Haiti, security forces arrested me at the airport, took me to the police station, and detained me for several hours before releasing me. After that, green-clad military men armed with heavy-caliber weapons went to my residence on Ave Marguerite in my absence and terrorized my servants. They were probably planning to kidnap and kill me.

On 6 February 1986, as I was watching the movie "Canne Amere" [Bitter Cane] at INAGHEI, I was arrested by soldiers from the Dessalines Barracks. The soldiers entered the University with weapons in hand.

On 30 June 1986, a jeep and a truck full of soldiers returned to my residence, again in my absence. From February to the present, my residence has been fired upon during the night several times. Macoutes and members of the Bennett family tried to convince my wife to divorce me. They are trying to talk my wife into divorcing me. They offered her a lot to divorce me.

Narcisse says that the CNG and all its macoute acolytes have tried on several occasions to implicate him unjustly in a series of subversive actions; in the murder of a sergeant in Cite Soleil and the arrest of engineers Auguste, Normil Zamor, etc. Narcisse says that he knows the government had a few prisoners tortured and offered others money and advantages in an attempt to get them to compromise him so that the government could imprison him. Narcisse said that those plots failed thanks to the courage, civic-mindedness, and patriotism of the prisoners involved. He said that he knows that the CNG has set up another plot to murder the members of the Group of 57's Coordinating Committee, of which he is a member, and to exile 40 members of the press, human rights sectors, and democratic organizations.

Narcisse says that the fact he has been expelled from Haiti is the first act in the plot against democrats and especially, against the Group of 57. He says that the plot will not succeed, that he is not going to leave Haiti within the 24-hour period that the decree allows. Narcisse says his life and that of his two children are in danger; nevertheless, he says he will not leave. He asserts he is a Haitian and that the Constitution, in Article 41, prohibits the expulsion of Haitian citizens. Narcisse publicly opposes the CNG's decree because the decree is unconstitutional and illegal. He says the decree has no legal value because it is unfounded and signed by a military official, which is in violation of Article 267 of the Constitution.

Narcisse appeals to all democrats and all Haitians inside Haiti and among the diaspora, as well as all foreign democrats who are friends of the Haitian people, to unite with him in these circumstances and to show that they disagree with this arbitrary measure affecting him and his family. He says the measure constitutes one more constitutional violation committed by the CNG and its ministers. He says they are all guilty of high treason and should be brought before the High Court of Justice.

Narcisse says he will make the repressive forces kill him rather than go into exile. He says he would rather die than leave. Narcisse says he will continue to oppose the macoute fascist government and he remains bonded to the people; workers, peasants, and poor in Port-au-Prince.

Narcisse concludes by saying that, with or without him, the struggle will continue until the CNG has been unrooted.

That was a statement sent to the press by Mr Daniel Narcisse, who was expelled by a CNG decree dated 31 July.

Opposition Reacts to Decree

FL042307 Port-au-Prince Domestic Service in Creole 1300 GMT 4 Aug 87

[Text] As everyone knows, the CNG issued a decree last Friday, 31 July, deporting Daniel Narcisse from Haiti. The decree says that Narcisse is a Canadian citizen who has interfered in Haitian affairs and has been inciting people to disorders.

There has been much reaction to that decree. In separate notes sent to us, the Liaison Committee of the Democratic Forces the Haitian Christian Democratic Party [PDCH], and the Confederation for Democratic Unity [KID] say that they were very shocked to learn of the CNG decree expelling Daniel Narcisse, who is president of the Haitian Democratic Party [PDH], coordinator of the Liaison of Democratic Forces, and member of the Coordinating Committee of the Group of 57.

According the KID, the PDCH, and the Liaison Committee, this is an arbitrary measure on the part of the government. Further on the notes say: the KID, the PDCH, and the Liaison Committee see in this measure a political maneuver on the part of the government aimed at expelling all democrats from Haiti.

Wilfrid McNally, Idli Cameau, and Jude L Jean-Jacques signed for the Liaison Committee; Joachim Pierre and Alexandre Azar for the PDCH, and Jonas Pierre-Louis, Eddy Jeune, and Evans Paul -- also known as K Plume -- for the KID.

CZECHOSLOVAK DAILY INTERVIEWS PUCH LEADER

AU051238 Prague RUDE PRAVO in Czech 3 Aug 87 pp 1, 6

[Interview with Rene Theodore in Port-au-Prince, general secretary of the Unified Party of Haitian Communists [PUCH], by RUDE PROVO correspondent Stanislav Stepanek from Paris on 2 August: "Attempt At Second El Salvador?"]

[Excerpts] [Passage omitted] [Stepanek] There was a general strike in Haiti on Thursday and Friday [30 and 31 July]. Why was it proclaimed?

[Theodore] Its purpose was the overthrow of the National Government Council and replacing it with a body made up of persons chosen by opposition parties or -- and this is the alternative proposed by our party -- consisting of representatives from the country's nine departments and several respected institutions. [passage omitted]

[Stepanek] Is there a danger of a military coup d'etat at the moment?

[Theodore] A part of the Army is in power at the moment. Another part is dissatisfied, but does not show it openly. Thus, the Army is not united and it is my opinion it is difficult for it to organize a coup now in the sense that it would definitely seize power and create a permanent military dictatorship in the country. At the moment, with U.S. support, Army personnel are in power who wish reactionary forces, including Duvalier's followers, to come to power again. This group does not have the unanimous support of the Army, and the population rejects it completely.

[Stepanek] Is it then possible to speak about a certain "Salvadorization" in Haiti?

[Theodore] No, not literally. They are trying to bring to power a civilian government of the same type as that in El Salvador. Until now there have not been the conditions for it, and until they succeed in pushing through such a government, one cannot say they have prevailed, and one cannot make a comparison with El Salvador. At the moment we can only speak about an attempt.

[Theodore] How does the Communist Party work under these conditions? Does it really have a genuine influence and a means of contributing to democratic changes in the country?

[Theodore] Prospects for such a change do exist. The Communist Party has shown itself to be one of the country's main political forces. I am not saying the largest, but one of the main ones. Moreover, ever new possibilities are opening for a coalition of democratic forces. We are not the only ones to hold anti-imperialist positions; for example, on the issue of democracy we speak the same language as some other forces. Everything that is happening in Haiti's politics relies and must rely on the influence of the Communists.

HUMAN RIGHTS GROUP CALLS FOR END TO BLOODSHED

FL051616 Port-au-Prince Domestic Service in Creole 1300 GMT 4 Aug 87

[Text] We have a note from the National Network for the Defense of Human Rights [Rezo Nasyonal pou Defann Dwa Moun -- Renadwam]. The note is an appeal to CNG President General Namphy.

Renadwam believes that, as an organization that defends human rights in Haiti, it is its duty to do all it can to intervene in the current mad dog situation in the country in order to prevent human rights from continuing to be trampled.

Renadwam says that it has been forced to note that in approximately one week, there have been more people murdered in Haiti than during the entire time Jean-Claude Duvalier was in power. On 29 July, they saw how, without any warning, the army emptied its weapons on people. A person's first right is his right to life. But there are a number of other rights which are being equally trampled -- the right of journalists to work freely and the right of school children and university students to demonstrate. There is another, greater right -- one which gives rise to the existence of all other, individual rights: Haiti's right to exist as a nation; our right to be a people. Renadwam is forced to note that Haiti is slowly dying, and that the suffering of its children increases daily. Neither the public nor private administration is functioning. Commerce and industry are paralyzed. Students cannot take exams. The army is shooting people in the streets, arresting people and repressing people openly.

Jean-Claude has left and instead of our having a rule of law, we have a nation in which Macoutes constantly violate the Universal Declaration of Human Rights, the Inter-American Declaration of Human Rights, and all the international human rights agreements that Haiti has signed. That is why, continues Renadwam, they are asking -- in their capcity as a human rights organization that exists to safeguard lives and people's civil, political, economic, social, and cultural rights -- General Namphy to take steps to put an end to this disorder, stop bloodshed, activate the country so that the constitution can be applied, and organize elections the way everyone is demanding, so he and the rest of the CNG can resign. If he does this, instead of being listed as a (?criminal) general found throughout the history of Haiti and of the Americas , he will be known as a courageous general who understands history and who knows where the interests of his people lie. The sooner he does this, the better it will be for Haiti.

As a human rights organization with a responsibility to public opinion and to all its fellow human rights organizations throughout the world, Renadwam declares its commitment to defending all of General Namphy's rights also, whenever his rights are threatened.

But sincerely, this is the only honorable solution that we as a human rights organization can see that is capable of getting the country out of the mess it is in and stopping violations of human rights.

The longer the CNG waits, the more acts the international criminal law will consider unpardonable and absolute crimes against humanity will be committed.

Signing the letter for Renadwam are Arnold Antonin and Marc Andre Augustin.

ARMED FORCES EXPLAIN JEREMIE INCIDENTS

FL050140 Port-au-Prince Domestic Service in Creole 1300 GMT 4 Aug 87

[Text] Regarding the Sansaricq affair, we have received a press statement from the general headquarters of the Haitian Armed Forces [FADH]. Here is what it says:

The general headquarters of the FADH advises that according to a report from the commander of the military department of Grande Anse, Bernard Sansaricq and 8 to 10 other individuals traveled last Saturday evening, 1 August to (Je bo), which is 1 kilometer from the town of Jeremie. They went to a hotel owned by Mr Antoine Jean. They held a meeting at which Mr Sansaricq said that he had come to Jeremie to recruit in order to train a few men so that they could carry out terrorist actions against military posts and members of the FADH and overthrow the National Government Council. They promised $1,000 to anyone who agreed to this plan.

After learning of this the police in the area, together with Jeremie Justice of the Peace Mr (Cleone Jean Claude), went to the hotel yesterday, Monday, 3 August at 1000, to conduct a search. When they arrived, the security forces met with grenades and bursts of gunfire from automatic weapons. They were able to take shelter and no one was hurt.

The statement from the general headquarters continues:

The terrorists managed to escape after seizing FADH jeep No. 76 belonging to the group that was to conduct the search. They headed for Leon, a village several kilometers from the town of Jeremie, and set fire to that area's military outpost. The Jeremie police entered the hotel in question, and shortly thereafter arrested (Philneus Dorcean) and Bernard Bertrand. One of the men had on him a 45-calibre pistol. They had come from Port-au-Prince in a Pajero jeep to join Bernard Sansaricq. The security forces had to use much force in order to capture the men. They have taken all the necessary measures for the protection of the areas concerned.

The FADH general headquarters asks the population of La Grande Anse and the entire population of the south to remain calm and to cooperate with the security forces so that they can capture the dangerous criminals.

The press statement is signed by Colonel Gary Leon, acting adjutant general of the Haitian Armed Forces.

JAMAICA

SEAGA, DE LA MADRID ISSUE JOINT COMMUNIQUE

FL051242 Kingston Domestic Service in English 2300 GMT 4 Aug 87

[Text] A joint communique from Prime Minister Edward Seaga and Mexican President Miguel de la Madrid said the two leaders reviewed bilateral relations during the president's visit here of a few days.

Agreement was reached by foreign ministers that involved programs for exchanges in the fields of culture, education, and science and technology.

In the field of trade, representatives of the Bank of Jamaica and Bancomex are to meet in Mexico City with proposals for establishing reciprocal lines of credit. A joint working group is to study the feasibility of joint exploitation of bauxite for production of aluminum. This is (?including) all the terms under which the private sectors of both countries could participate.

In tourism, the communique says bilateral agreements are to be expedited. This would involve joint ventures, promotional cooperation, education, and training. Mention is made of the need for better use of Mexico's contribution to the Caribbean Development Bank to the (?end of seeking) trade and joint investment projects. In this regard, cooperation programs in science and technology related to mining, petrochemicals, sugar, food, and tourism are targeted.

Note is also made that the second meeting of the joint Mexico-Caricom Commission is to be held later this year.

Then there's mention of the San Jose Accord [words indistinct]. Mention is made of the use of resources (?as well as an accord for) the purchase of Mexican capital goods and further financing of projects in Jamaica.

Both leaders expressed concern about the reduction of prices of exports from developing countries and the need to remove protectionist barriers against exports from developing countries.

President De la Madrid spoke a meeting of Central American departure. He is due to attend a meeting of Central American presidents in Guatemala (?scheduled) on Thursday at which the foreign debt and the conflict in Nicaragua are on the agenda.

VENEZUELAN PRESIDENT ON OFFICIAL VISIT

PA310250 Caracas Television Service in Spanish 0000 GMT 28 Jul 87

[Report from Mexico City by Jenny Silva]

[Excerpt] As expected, Venezuelan President Jaime Lusinchi arrived at Mexico City's Benito Juarez International Airport at 1100. President Lusinchi was accompanied by a large retinue that included Foreign Minister Simon Alberto Consalvi, Mines and Energy Minister Arturo Hernandez Grisanti; Leopoldo Sucre Figarella, president of the Venezuelan Corporation of Guyana; Blanca Ibanez, the president's private secretary; Manuel Penalver, Democratic Action secretary general; Ruben Carpio Castillo, president of the Senate's defense commission; and Osvaldo Alvarez Paz, president of the Congress' defense commission. A large group of Venezuelan private businessmen, including Jorge Chapellin, president of the National Council of Industry, and Roger Boulton, president of the National Council of Trade, accompanied President Lusinchi.

Mexican Foreign Secretary Bernardo Sepulveda accompanied President Lusinchi from the airport. They went to the Government Palace's main courtyard where Miguel de la Madrid greeted his counterpart.

They talked for a few minutes and then they began their respective speech. De la Madrid, as the host, spoke first. He referred to Lusinchi's visit. He said that the Mexican people have benefitted from Lusinchi's calm reflection, mature leadership, and perception of Mexico's situation an the rest of Latin America.

The Mexican president also said that he is convinced that the relations between Venezuela and Mexico are promoting the emergence of a new Latin American awareness. It is an awareness that involves new paths based on new initiatives such as the Contadora Group, the Cartagena consensus, and the permanent mechanism for consultation and political reconciliation: The Group of Eight. He also mentioned the need to continue and strengthen actions for intraregional cooperation. Venezuela and Mexico have played a leading role in these actions, which include SELA and the San Jose pact.

[Begin De la Madrid recording] Latin Americans cannot permit the widespread economic crisis to eliminate hopes for progress or deteriorate the legacy of culture, institutions, and productive infrastructure that our people have built in almost 2 centuries of independence.

As the 21st century begins, our generation cannot be part of an ecnonomic system that is unequal and incapable of guaranteeing an honorable and safe life for most men. We cannot accept, either, our region becoming an area of foreign intervention, ideological intolerance, and political and military conflicts that destroy sovereignties, identities, and development efforts. [end recording]

President Lusinchi was very moved by the Mexican president's words and he responded with the same warmth and affection. He said that the friendship between Venezuela and Mexico is truly strengthened and enriched at this moment as President De la Madrid said. He added that Venezuela has come to Mexico to consolidate this friendship and to tell Latin America and the world, from this land, that Mexico and Venezuela continue to be united in their experiences and plans for the future because the voices of the two nations are being heard in the continent and in the community of nations with pride and courage and without being vociferous or paternalistic. However, these nations' message is perfectly in line with our people's sovereign will.

President Lusinchi said that, not in an attempt to echo De la Madrid's generous statements but to recognize his Mexican counterpart's leadership, this is the time for the two nations to have closer ties.

[Begin Lusinchi recording] In meeting you here to discuss common problems of our bilateral relations, as well as common problems of the regional and world situation, I am absolutely convinced that these talks will result in agreements and perfect meetings of minds because we have a fine-tuned and common view of these problems. We have no reservations for Mexico, Mr President. You are an older brother to us. We have come here to once again thank ever-generous Mexico that has received our freedom fighters on various occasions in our history. In addition, Mexico has fought for our freedom. [end recording] [passage omitted]

Joint Communique Issued

FL310345 Mexico City NOTIMEX in Spanish 2134 GMT 30 Jul 87

[Text] Mexico City, 30 Jul (NOTIMEX) -- At the end of his state visit to Mexico, Venezuelan President Jaime Lusinchi signed a joint communique with Mexican President Miguel de la Madrid outlining the main aspects of the agreements reached by the two presidents.

De la Madrid and Lusinchi reaffirmed their firm political commitment, as a major objective, to the consolidation of a broad relationship in line with the unbreakable ties that link the peoples of Mexico and Venezuela and the ample potential for cooperation that exists between the two countries.

The two presidents emphasized the benefits that will derive from the signing of an economic complementation agreement, the implementation of which will contribute positively to the development of their economic possibilities, to the strengthening of cooperation in the industrial, technological, and service areas, and to increasing the flow of trade, making it more stable and equitable.

They noted the importance that the development of air and maritime transportation has on trade between the two countries, and expressed their satisfaction over the signing of an air transport agreement.

The presidents gave special consideration to the development of cooperation in the area of tourism and with this in mind, they emphasized the advisability of expediting negotiations for the signing of an agreement that will help to promote cooperation in this important sector.

The two presidents noted the importance of the participation of public and private enterprises of the two countries in the development of bilateral economic relations, particularly in the mining, iron and steel, capital goods, engineering,and construction areas.

De la Madrid Hurtado and Jaime Lusinchi discussed recent developments on the international oil market, and agreed on the need for a strategy to guarantee prices for hydrocarbons.

De la Madrid and Jaime Lusinchi discussed recent developments on the international oil market, and agreed on the need for a strategy to guarantee fair prices for hydrocarbons. The presidents of Mexico and Venezuela reaffirmed their governments' political pledge to contribute to the economic and social development of Central America and the Caribbean through the Pact of San Jose.

They reaffirmed their determination to continue coordinating their actions in regional energy forums, such as the Latin American Energy Organization, the Latin American Petroleum Industry Mutual Aid Association, and the Informal Group of Latin American and Caribbean Oil Exporting Countries. In reference to the two countries' common concern about the illegal trafficking of narcotics and psychotropic drugs, the two presidents reiterated the detemination of their governments to unite efforts to combat this problem in all its forms including the demand for drugs, which is the principal reason for drug trafficking.

In reviewing the scientific and technological cooperation program betweeen Mexico and Venezuela, they agreed to redefine the area of cooperation to include new projects, giving priority to those which would directly affect productive development and increase the capacity to export goods and services. The two presidents examined with special interest the situation in Central America. They reiterated their governments' commitment to the peace efforts of the Contadora and Support Groups, which represent Latin America's willingness to resolve the Central American conflict under their own terms. They stressed the importance of the Central American presidents' summit, which will be held 6-7 August and they called on Central American governments to establish a genuine policy of negotiation that would allow a productive atmosphere of dialogue and a peaceful and permanent solution to differences.

De la Madrid and Lusinchi reiterated their conviction that a lasting solution to the problem of the foreign debt requires political dialogue between creditor and debtor governments, international financial organizations, and private creditor banks, which would insure the right of debtor countries to sustain real development rates.

DE LA MADRID RETURNS AFTER JAMAICA VISIT

FL052359 Mexico City NOTIMEX in Spanish 2202 GMT 4 Aug 87

[Excerpts] Mexico City, 4 Aug (NOTIMEX) -- After completing a 3-day official working tour to the Republic of Jamaica, Mexican President Miguel de la Madrid arrived this afternoon at the presidential hangar at Mexico City International Airport. [passage omitted]

The chief executive was accompanied on his arrival by Bernardo Sepulveda Amor, secretary of foreign relations, Hector Hernandez Cervantes, secretary of commerce and industrial development, Antonio Enriquez Savignac, secretary of tourism, Antonio Riva Palacio, president of the grand commission of senators, and Francisco Rojas, director of PEMEX. Also accompanying them was Manuel Alfonso, director of social communications of the Presidency, and Emilio Gamboa Patron, the president's private secretary.

USSR OFFICIALS DISCUSS BARTER AGREEMENTS

PA032246 Mexico City EXCELSIOR in Spanish 23 Jul 87 pp 25A, 34A

[Article by Martha Anaya]

[Text] The Mexican and USSR Governments are studying the possibility of establishing a freight agreement for the oil supply between the two countries: "We could supply Soviet oil to the Mexican clients in Europe and in exchange Mexico would supply its crude oil to Cuba," Cennadiy I. Zima, USSR Embassy charge d'affiars in Mexico, said.

During his participation in the conference "The Presence of Mexico and the USSR," where the first interparliamentary session between the two countries is being analyzed, the Soviet official noted: "We are now searching for the new variations in this oil [exchange] idea, and we believe that it will be fruitful." He added that the commission is studying the possibility of jointly producing some types of machinery and equipment and exchanging technology and patents in fields such as the extraction and transformation of oil and the petrochemical, non-ferrous metallurgical, and iron and steel industries. Zima noted that during the work sessions of the joint commission they discussed new prospects for cooperation, such as compensated trade or bartering. He mentioned as examples that one part of the Soviet purchases of pipes from the Tamsa enterprise be compensated for by supplying tractors, which is in addition to the freight compensation operations.

The USSR Embassy charge d'affairs stated that his country has offered Mexico the utilization of Soviet technical services for outer space [space services] for scientific and economic purposes. He added that one of the most important principles of the Soviet foreign policy is the desire to develop trade with mutual benefit to all countries, independently of their socio-economic systems. "The USSR,' he emphasized, "believes that trade relations are the fundamental component for the improvement and development of the relations between the states and as one of the essential means for securing peace and progres;s." Concerning the ecnomic and trade relations between the USSR and Mexico, Gennadiy I. Zima added that the USSR gives a special importance to developing economic and commercial cooperation with developing countries "by consistently supporting the lines followed by those nations, for strengthening their scientific, technical, and productive potential, and their economic independence."

Other officials who participated in the conference organized by the Mexico-USSR Friendship and Cultural Institute were (Alfonso Molina Ruibal), deputy foreign relations secretary of the PRI National Executive Committee; (Jose Borjon), area director of the General Directorate for Eastern Europe and the USSR of the Foreign Relations Secretariat; and Dr Viktor Kropotov, USSR minister councillor, who analyzed the effects and consequences of the official visit to Moscow by Bernardo Sepulveda. (Alfonso Molina) noted that "the results of Sepulveda's visit to the USSR are many and included the possibility, very soon, that Mr Gorbachev may visit Mexico." The PRI'S deputy secretary added that the traditional friendship bonds with the Soviet people have been strengthened, and that the visit "was conducted within the international policy of the current regime, which is in accordance with the history of Mexico and the highest interest of our people." Regarding the visit of Mexican legislators to the USSR, he noted that it is part of a strategy, known as "parliamentary diplomacy," which has permitted reaffirming the disposition for understanding and mutual cooperation.

(Jose Borjon) stated that Sepulveda's visit to the USSR could be approached from the protocol point of view, responding to the visit to Mexico by Edward Shevardnadze. Moreover, it is an international practice, and one more piece of evidence of the international meetings among friendly nations. "We could say that it was a routine visit, with its own objectives and satisfactory results."

ARIAS REJECTS SUMMIT DISCUSSION OF U.S. PROPOSAL

PA052039 Paris AFP in Spanish 2002 GMT 5 Aug 87

[Text] San Jose, 5 Aug (AFP) -- Costa Rican President Oscar Arias today rejected the possibility of including the peace proposal of the Reagan administration on the agenda of the Central American presidential summit.

Arias reiterated that the meeting was convoked "exclusively" to analyze the Costa Rican peace plan and rejected a change of the agenda of the summit meeting.

The president announced that he instructed Costa Rican Foreign Minister Rodrigo Madrigal Nieto to be "inflexible" and to not allow a change to the agenda of the chiefs of state.

ARIAS SEEKS U.S. SUPPORT FOR DEBT REPAYMENT

PA042111 San Jose Radio Reloj in Spanish 1330 GMT 2 Aug 87

[Text] Costa Rican President Dr Oscar Arias Sanchez is seeking U.S. political support in connection with the $1.5 billion in foreign debt owed to lending banks. Arias is speaking with several senators, one of whom we have already mentioned in this broadcast, Democratic Senator Billy Bradley. Commenting on the meetings Arias said:

[Begin Arias recording] We have been pleading more and more for a different way of dealing with Latin America's foreign debt. Today I had the opportunity of meeting with him and with [Central Bank President] Eduardo Lizano and [Finance Minister] Fernando Naranjo, to let him know what our position has been on the lending banks, and our need to receive political support from all parties to gain better treatment in repaying this debt. This will allow us to grow much more in the near future; to improve the Costa Rican standard of living; and, most importantly, to be able to offer our youth the job opportunities they demand. [end recording]

GOVERNMENT RESERVES OPINION ON REAGAN'S PROPOSAL

PA051918 Panama City ACAN in Spanish 1737 GMT 5 Aug 87

[Text] San Salvador, 5 Aug (ACAN-EFE) -- A Salvadoran Government spokesman said today that although the government "knows of" a U.S. proposal for a cease-fire in Nicaragua. El Salvador has not yet decided on its position.

Government spokesman Julio Adolfo Rey Prendes said today that El Salvadaor does not know if that proposal will be analyzed at the presidential "summit" scheduled for 6-7 August in Guatemala, as "it was not included in the agenda."

Rey Prendes, who is also the Salvadoran communications and culture minister, told ACAN-EFE this morning that the Salvadoran Government "already knows of President Reagan's proposal, but could not give an opinion yet, because it is being analyzed."

Rey Prendes said that the government "has not made a decision regarding the inclusion of the proposal in the agenda for the summit." "Logically, Reagan's proposal is not on the agenda for the summit," Rey Prendes stressed.

According to reports from Washington, Reagan's proposal calls for an immediate cease-fire, the withdrawal of military advisers, and bilateral negotiations (with U.S. participation during the initial phase) between the Sandinist government and the "contras"; and establishes 30 September as a deadline.

That proposal will reportedly be discussed today in Washington by President Reagan and leaders of the Nicaraguan "contras" struggling to overthrow the Sandinist government with U.S. support.

One day before the "summit," Central American foreign ministers are still discussing the agenda, which reportedly will include the "Arias plan," the "Honduran plan" (prepared by the Central American and Contadora Group foreign ministers), and recommendations made by the Central American countries; possibly Reagan's proposal could be added to it.

The Salvadoran Government's position is clear: There cannot be peace in the area unless the Sandinists stop supporting the Salvadoran guerrillas, and a democratizing process begins leading to free elections in Nicaragua.

However, the Salvadoran position, which together with Honduras supports U.S. initiatives, has become more complex with Reagan's proposed cease-fire, because it entails increasing economic aid for the Nicaraguan "contras."

ROSA CHAVEZ SEES SUMMIT 'STEP TOWARD PEACE'

PA050326 Panama City ACAN in Spanish 1722 GMT 2 Aug 87

[Text] San Salvador, 2 Aug (ACAN-EFE) -- Gregorio Rosa Chavez, auxiliary bishop of San Salvador, demanded today in San Salvador that the powers of the East and the West permit the Central American countries to solve their problems "by themselves."

Rosa Chavez, who referred to the Latin American Episcopal Council (CELAM) meeting held this week in Bogota, Colombia, stressed that "the powers of the East and the West should withdraw and allow the Central Americans to solve Central America's problems."

The prelate, who officiated the Sunday mass at the Metropolitan Cathedral, said that the Church "has its hopes" about the results of the presidential "summit" scheduled to take place on 6 - 7 August in Guatemala City.

According to Rosa Chavez, the Latin American church, by means of the highest ecclesiastical consultative organization on the continent, the CELAM, "sees the imminent meeting of the Central American presidents as a very positive step toward peace."

The only issue that will be discussed at the presidential "summit" will be the peace plan presented by Costa Rican President Oscar Arias, which -- among other things -- proposes a cease-fire, democratizing processes in the region, and an end to foreign military aid.

"In contrast to the almost generalized skepticism and pessimism that seems to prevail in response to the presidential summit, the Church wants to emphasize its hope," Rosa Chavez said.

Nevertheless, after Sunday's mass, Rosa Chavez told reporters that "to be realistic, if steps are taken at the presidential summit, they will be small steps."

"However, I insist," Rosa Chavez said, that "what matters most is that the dialogue is beginning again at the highest level, and that the Central Americans themselves are playing the leading roles."

The auxiliary bishop, who substituted for Archbishop Arturo Rivera y Damas, explained that the Central American Catholic Church establishes a difference between national dialogue, in which all the forces in each country should participate; a regional dialogue, which includes the five countries; and a geopolitical dialogue, in which the large powers participate.

According to the prelate, "none of these levels should be dismissed because they are closely related, which makes solutions in Central America complex. That is why solutions should be adopted in stages." The bishop also argued that if a solution through talks and negotiations at the national and regional levels is "not supported," the only solution left will be "war and violence." "However, war engenders more war and this is not a solution," the bishop stressed.

At the national level the Salvadoran church has been the institution that has insisted the most that Jose Napoleon Duarte's government and the guerrillas initiate a process of dialogue and negotiations to end the 7-year war.

Nevertheless, despite two efforts in 1984 with the mediation of the Catholic Church, the government and the guerrillas are increasingly distant, and new efforts at rapprochement and the initiation of talks and negotiations within the medium term are not foreseeable.

FMLN PLANNING TO INCREASE 'SABOTAGE ACTIONS'

PA052351 San Salvador EL MUNDO in Spanish 31 Jul 87 p 3

[Text] San Miguel, 31 Jul -- In a communique broadcast last night on clandestine radio, the FMLN General Command announced that "the guerrillas will increase sabotage actions both inside and outside San Salvador, and in the main cities in the county, while the fronts are reorganizing their combat troops in the different zones of the country.

The FMLN spokesman also referred to the recent statements by General Adolfo O. Blandon, chairman of the Armed Forces Joints Chiefs of Staff, who talked about the success of the "Colonel Jose Domino Monterrosa" operation. However, the FMLN believes the operation was a "total failure," because right in their faces, the FMLN has destroyed six bridges in 15 days this month." [quotations marks as published]

The clandestine radio station also broadcast an appeal to the urban and rural population to learn how to handle weapons. This is because soon, the FMLN will begin to organize people's urban and rural commandos, which will be incorporated into the struggle.

Other sources reported that repairs to the "railroad bridge over a creek near Tierra Blanca, Jiquilisco, in Usulutan, were completed yesterday. The bridge had been damaged by a strong runoff from Tecapa hill, in Alegria municipality. The railroad is again operational. Train service was temporarily suspended, but yesterday afternoon the trains were providing service to and from Usulutan, San Miguel and La Union, transporting cement and other goods.

The university students who participated yesterday in a street demonstration on which no incidents were reported, protested at Armed Forces' inspection posts, charging the Armed Forces with preventing UNTS [National Union of Salvadoran workers] cooperative members and peasants planning to attend the demonstration, from entering the city. The students shouted slogans saying that the regimes of General Martinez, Colonel Molina, and General Romero are not at all different from the present regime.

Concerning the statements made by the demonstrating students, Colonel Rene Emilio Ponce, 3d Infantry Brigade commander, said that "what the students have openly shouted proves what the Armed Forces has discovered regarding strangers taking part in student demonstrations. The students should know we have received information from peasants, who provided their names and addresses, and who reported that some of them had been paid 25 colones and others 10 colones to attend the demonstration."

Col Ponce added that the demonstrators were angry about the presence of the Armed Forces troops, which were there to guarantee public order and to protect private and state property.

GOVERNMENT 'ANALYZING' REAGAN'S PEACE PLAN

PA051958 Panama City ACAN in Spanish 1927 GMT 5 Aug 87

[Text] Guatemala City, 5 Aug (ACAN-EFE) -- Claudia Arenas Bianchi, public relations secretary of the Presidency, said today that the Christian Democratic government of President Vinicio Cerezo Arevalo is analyzing "the Reagan plan for Central America" to adopt a position.

The presidential spokesperson said that Cerezo learned about the plan last night but that "it is too premature" to issue a statement on it and its effects on the presidential "summit."

Arenas Bianchi said that "the plan is consistent with what President Reagan and Cerezo discussed" during the Guatemalan president's trip to Washington in April.

Cerezo's trip to the United States was the most recent made by the Guatemalan president within what he termed a "policy to open the democratic world's doors to Guatemala."

On his return, Cerezo said that one of the priority issues discussed during his meeting with Reagan was the Central American situation and the search for regional peace.

Arenas said today that within this context and at first glance, the plan presented by Reagan last night "is congruous with those talks."

The presidential secretary noted that "it is a formal proposal to the U.S. Congress concerning a bipartisan policy for Central America, a region to which Guatemala belongs, and this is the reason we want to analyze it thoroughly."

Arenas added that another comment by President Cerezo is that this represents a little more flexible U.S. political position toward Central America and its problems.

She said that in any case, it would be "too premature to consider the Reagan plan's positive or negative repercussions on the Central American presidential "summit," which begins tomorrow in this capital. [quotation marks as received]

AZCONA WITHHOLDS COMMENT ON REAGAN PEACE PLAN

PA052013 Panama City ACAN in Spanish 1842 GMT 5 Aug 87

[Text] Tegucigalpa, 5 Aug (ACAN-EFE) -- Honduran President Jose Azcona Hoyo said today that he would not comment on the Central American peace plan proposed by President Ronald Reagan Tuesday because he did not have "a clear picture" of the plan.

Azcona said that, according to what he has read in today's newspapers, the plan does not mention a specific step to achieve peace and that he will wait some time to "have a clearer picture of the proposal."

The Reagan plan proposes, among other things, a cease-fire and free elections in Nicaragua. Otherwise the Central American country will continue to face the contras, who are trying to overthrow the Sandinist Government.

The Honduran president reiterated to the news media that he does not believe the "summit" meeting of Central American presidents in Guatemala on 6-7 August, will result in finding a solution to the regional problems.

"I insist that the conflict stems from internal problems in each country, and that as long as there is not a true national reconciliation and a respect for rights in each country, there will not be an agreement," Azcona added.

He said that at the "summit" meeting, Honduras would not sign any armistice, "because we are not at war with Nicaragua or with anyone. That is, the effort will be aimed at the internal reconciliation in the countries with problems."

Azcona said that "one must work for peace when there is a declared or undeclared war going on," and he insisted that in Central America there is peace, because no country is at war with another.

"We agree and are willing to seek solutions to the problems in Central America, to work in that direction, and to be open, generous, and Central American," the president said.

Regarding the proposal presented by Honduras at the Central American foreign ministers' meeting in Tegucigalpa last weekend, Azcona said it does not conflict with the "Arias plan" proposed last February by Costa Rican President Oscar Arias.

Honduras proposed a plan to change the political democratization objectives contained in the Costa Rican plan.

According to Azcona, "Honduras' proposal is an extension of the Arias plan. We have always said that we agreed with the Costa Rican proposal and that we had some observations regarding the sequence and development of events."

ORTEGA ISSUES 'OFFICIAL' RESPONSE TO REAGAN PLAN

PA052322 Managua Domestic Service in Spanish 2227 GMT 5 Aug 87

[Statement by President Daniel Ortega at the Government House in Managua on 5 August -- live]

[Text] Good afternoon, people of Nicaragua and the international community. This is not a news conference but an official statement by the Nicaraguan Government in response to President Reagan's statements today. A news conference will be held at some other time with the reporters to discuss the issue.

A few hours prior to the summit meeting of Central American presidents in Guatemala, Nicaragua informs the world of the following:

1. Nicaragua has the undeniable desire to make every effort to strengthen political negotiations that will allow a substantive impulse of the peace plan presented by President Oscar Arias as a mediating element and to strengthen the achievements made within the negotiating framework of Contadora, in the search for a dignified and lasting peace.

2. The Nicaraguan Government was informed today of a diplomatic initiative for Central America, within the context of a peace plan, prepared with the collaboration of a spokesman [as heard] and the joint leadership of the U.S. Congress. This plan was presented by the President of the United States.

The Nicaraguan Government invites the U.S. Government to immediately initiate in Managua, Washington, or a third country, an unconditional dialogue to discuss this U.S. initiative and Nicaraguan initiatives, and to develop a negotiating process that will conclude with the signing of a just and verifiable agreement that will guarantee the legitimate interests of Nicaragua and the United States.

3. A rejection of this dialogue would demonstrate that the Reagan administration, with its initiative, is attempting to boycott the peace efforts of the region and Contadora, such as the effort that will be made tomorrow in Guatemala. This would be for the purpose of achieving a bipartisan consensus within the U.S. Congress for approval of more funds for the mercenaries and to strengthen the current interventionist escalation that the administration has carried out.

This is what I wanted to inform the Nicaraguan people, the international community, and the reporters. I appreciate the presence of national and international reporters here. Thank you.

Talavera Calls Plan 'Maneuver'

PA052107 Managua Radio Sandino in Spanish 1930 GMT 5 Aug 87

[Text] Nicaraguan Deputy Foreign Minister Jose Leon Talavera commented the alleged new plan presented by Reagan for Radio Sandino:

[Begin Talavera recording] This new U.S. maneuver just corroborates once again the U.S. Government's intransigent and stubborn policy which never stops in its attempts to destroy the popular Sandinist revolution. [end recording]

'Shameless Effort' To Boycott

PA052110 Managua Radio Sandino in Spanish 1930 GMT 5 Aug 87

[Text] The surprise U.S. maneuver of presenting a peace plan only 24 hours before the beginning of the Central American presidents summit in Guatemala was received by political observers in Nicaragua in its true dimensions: a shameless effort to boycott the meeting.

Alfonso Dubois, who writes for the magazine PENSAMIENTO PROPIO, said the Reagan plan has nothing new; it is merely issued for publicity purposes.

[Begin Dubois recording] There are two points that we can comment on with clarity. Why does this plan appear 24 hours before the Esquipulas summit? It has a clear goal; to draw attention away from the Esquipulas summit and, despite the successive obstacles which the Reagan administration has set in the path of all peace proposals, to give the impression that it has something to propose. This is very important to be able to analyze it. The second point is that this proposal does not differ from a previous proposal made by the Reagan administration, which says, that it is going toxsuspend for 60 days the request for the $150 million from Congress for the Nicaraguan counterrevolution. This does not mean anything because the purpose still remains, to help the counterrevolution. Meanwhile, what it demands from Nicaragua is practically to relinquish the fundamental premise of not holding a dialogue with the contras; it is also an intervention in domestic affairs, such as calling for elections, which they call free, which is a demand that has not been made by any of the Central American governments [words indistinct]. This is, in reality, a plan which does not coincide with any of the peace efforts made until now and which does not bring anything new.

The Reagan administration's behavior to date, and all it has been saying up to 4 days ago -- that its goal is to overthrow the Sandinist government -- evidently negate any credibility concerning its willingness to negotiate. I believe there is no possibility -- unless it is imposed on the United States by means of Contadora or by international pressure -- that the United States [words indistinct]. [énd recording]

TALAVERA ON POSSIBLE PURCHASE OF MIG-21's

PA050057 Panama City ACAN in Spanish 2042 GMT 4 Aug 87

[Text] Guatemala City, 4 Aug (ACAN-EFE) -- The Nicaraguan Government "is contemplating the purchase of rapid air interception aircraft if the United States helps Honduras," Nicaraguan deputy foreign minister Jose Leon Talavera stated today.

The Sandinist diplomat stated in Guatemala that "unlike the armies of Central America, Nicaragua does not have rapid air interception means," which is why "It is contemplating the purchase of MIG-21 aircraft."

Talavera met at noon today with Guatemalan President Vinicio Cerezo in the government palace, but details of the meeting were not revealed.

On the acquisition of Soviet-made combat aircraft, the deputy foreign minister said that "considering the means used by the United States to supply the contras seeking to destabilize the government, [Nicaragua] has to acquire rapid aircraft."

That attitude of the Sandinist government hinges on the air support that the United States grants to Honduras, supplying it with rapid interception aircraft such as the "F-5" and $200 million in military assistance.

In view of that situation, "Nicaragua will have the right to acquire aircraft to defend its sovereignty, and it is contemplated," stated Talavera, who is accompanying Foreign Minister Miguel D'Escoto, who arrived in this capital today.

D'Escoto will participate in the meeting of foreign ministers of the region which will open at 1530 (2100 GMT) to modify Costa Rican President Oscar Arias' peace plan and the peace document of the Contadora Group (Venezuela, Colombia, Mexico, and Panama).

Official information sources of the Guatemalan Government declined to comment on what was discussed between Cerezo and Talavera in the 1-hour meeting that they held.

REUTER CITES CONTRA PLAN TO MURDER D'ESCOTO

PA311356 Buenos Aires REUTER in Spanish 0657 GMT 31 Jul 87

[Quotation marks as received]

[Text] Tegucigalpa, 31 Jul (REUTER) -- Diplomatic sources said today that anti-Sandinist rebels planned to murder Nicaraguan Foreign Minister Miguel D'Escoto Brockman with explosives. D'Escoto arrived in Tegucigalpa to participate in a meeting of Central American and Contadora Group foreign ministers.

The plan was discovered by the Honduran military intelligence office, which warned the Nicaraguan Embassy in Tegucigalpa. The Nicaraguan Embassy then warned the government of Managua about the risk to D'Escoto.

In statements to the press, Foreign Minister D'Escoto said that despite the threat, he had no intentions of suspending his trip to Tegucigalpa, "because of the importance of the peace efforts [words indistinct]. The attack against Foreign Minister D'Escoto would have been carried out by commandos of the so-called contras, who are supported by the United States. The attack would have been carried out with explosives placed on the stretch between Toncontin Airport and the hotel where D'Escoto is staying.

It was learned that D'Escoto was accompanied in the car by his Honduran counterpart, Carlos Lopez Contreras.

"He is a gentleman, a man. He was thoughtful enough to come with me in the car. Undoubtedly, he did it to reduce any danger on the stretch between the airport and the hotel," D'Escoto said. "We knew that members of the Honduran intelligence had informed us that they knew about the plan," D'Escoto added. D'Escoto said that the Honduran authorities "assured me that they would take measures to thwart U.S. President Ronald Reagan's mercenaries' plan."

Meanwhile, Adela Icaza, Nicaraguan rebel spokesman in Tegucigalpa, denied her forces were planning to murder D'Escoto.

In a telephone interview, Icaza said that "that falsehood is a rumor spread by the Sandinists to highlight the presence of the Nicaraguan foreign minister here."

COMMUNIQUE ON DOWNING OF CONTRA HELICOPTER

PA311454 Managua Domestic Service in Spanish 0300 GMT 31 Jul 87

[Communique issued by the Defense Ministry in Managua on 30 July]

[Text] The Defense Ministry reports:

1. On 22 July, a reconnaissance patrol of the 32d Infrantry Brigade, posted at the border area in Jinotega Department in Military Region No 6, reported having sighted various airspace violations by various kinds of aircraft over the area of (Bolistec), 12 km northeast of Wamblan, Jinotega Department.

2. At approximately 0900 on that same day, a U.S.-made Hughes-500 reconnaissance and fighter helicopter entered Nicaraguan territory through the area of Playa Hermosa, 11 km southwest of Wamblan, Jinotega Department, flying over defensive positions of the border brigade. A special antiaircraft defense group of the border units fired at the helicopter with a C-3M portable antiaircraft rocket, hitting the target.

With visible signs of damage, the helicopter flew into Honduran airspace and crashed several minutes later near the mercenary forces' military training center in Honduras. This information was obtained by our intelligence sources and confirmed by sources in the Honduran Army and the mercenary forces.

3. According to our intelligence and public information source, the members of the helicopter crew were seriously injured in the crash and transferred by the mercenary forces to El Aguacate base.

4. The member of the antiaircraft defense unit that downed this intruding aircraft is Lieutenant Hilario Gaitan Hernandez.

ORTEGA 'SOLIDARITY' NOTE TO PANAMA'S DELVALLE

PA311304 Managua Radio Sandino in Spanish 1200 GMT 31 Jul 87

[Undated message from President Daniel Ortega to Panamanian President Eric Arturo Delvalle]

[Text] Dear president and friend:

On the 6th anniversary of the death of General Omar Torrijos Herrera, may the Panamanian people and you receive a message of sympathy and solidarity from the Nicaraguan people and government.

By brandishing the banners of Torrijos, Bolivar, Hidalgo, Marti, Sandino, and Che Guevara, Latin America is embarking on a new period of struggle against hegemony and injustice in its international economic relationships and is defending its right to self-determination and national sovereignty and independence. It is facing destabilization and direct and indirect aggression launched against it by the most reactionary and inconsistent [as heard] sectors of the current U.S. administration.

Be assured that the government you head and the people and Defense Forces of Panama currently enjoy the support of an increasingly united Latin America.

Fraternally yours,

[Signed] Daniel Ortega Saavedra, president of the Republic of Nicaragua.

ORTEGA SENDS NOTE TO DE LA MADRID-LUSINCHI MEETING

PA312214 Mexico City Red Nacional 13 IMEVISION Television in Spanish 1955 GMT 28 Jul 87

[Text] Nicaraguan President Daniel Ortega has stated his hopes that the meeting between Mexican President Miguel de la Madrid and Venezuelan President Jaime Lusinchi attains benefits for Latin American peace and solidarity. Daniel Ortega's message to the presidents, who are meeting in Mexico City, states that the efforts to safeguard and strengthen the efforts exerted by the Contadora and Support Groups to attain peace in Central Aerica must be doubled now more than ever. Likewise, Ortega underscores the importance that the achievement of new economic cooperation agreements with Central America would have for peace, particularly in the energy field, at a time when the Central American people are withstanding the most difficult phase in history.

CONTRA LEADER FERREY DESCRIBES GOALS

PA040419 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 31 Jul 87

[Interview with Resistance leader Maria Azucena Ferrey by unidentified reporter in Guatemala; no date given]

[Text] [Ferrey] In meetings with Nicaraguans living abroad, I have discerned that the reorganization of the democratic opposition against the FSLN is motivated by the desire to achieve a rapprochement with the Nicaraguan people and to form a solid group that will help us rid ourselves of this oppressive dictatorship as soon as possible.

[Reporter] I understand that you participated in this dictatorship that is oppressing you.

[Ferrey] I have never directly participated in the FSLN government. When I was at the university the FSLN was already stealing elections. The Christian Democratic Front was the true adversary of Marxism-Leninism and a true promoter of democracy within the university. Since then, I have been aware of what the FSLN is, and I know that the FSLN is afraid of Nicaragua's Christian Democracy.

[Reporter] How did you begin this struggle, Maria?

[Ferrey] Of course it was difficult to separate myself. [as heard] We have had the misfortune, as many countries in this region, of living under a dictatorship. I struggled against Somoza's dictatorship and I have continued my struggle alongside the opposition against the FSLN leftist totalitarian dictatorship. I began during the time of the massacre Somoza carried out at the Leon University in 1953, and have been a member of the Christian Democratic Party since 1967. For me, the search for liberty and democracy have become my daily bread.

[Reporter] Maria Azucena Ferrey claims she trained with the Sandinists in the mountains of her country.

[Ferrey] That is right. I trained with the FSLN, participated in the effort to obtain asylum for Commander [Jaime] Wheelock -- one of the nine commanders of the FSLN -- and I do not regret having done so because it was a way of struggling against the dictatorship of the moment, Somoza's dictatorship, and that is why I am currently supporting and collaborating with the Nicaraguan patriots.

[Reporter] Have you visited other Central American countries?

[Ferrey] I have toured all of the Central American countries, part of South America, and the United States and Europe, seeking recognition for the legitimacy of our struggle. I feel that support should not only be requested and sought within the U.S. Government and Administration. We are seeking recognition and legitimacy because ours is a frontal struggle between the dictatorship and democracy. We want the world to acknowledge that our struggle is struggle for all of humanity. At this time, we the Nicaraguans are the ones helping to control expansionism, which will be very difficult to control within a few years if the FSLN consolidates it power.

[Reporter] How is the struggle going?

[Ferrey] I would describe this as a struggle we are winning battle by battle. It is said that the Nicaraguan Resistance will not pass, but that is only an FSLN slogan. The fact is that the Nicaraguan Resistance is in 11 of the 16 departments of our country. I believe the support of the peasants, the configuration of our guerrilla groups, the fact that the students are peasants [words indistinct], and the youths that have risen up in arms have been forced to defend their liberty and lives. We are not a conventional army and we are not [as heard] waging guerrilla warfare. We are civilian citizens who have been forced to follow this path to achieve liberty.

[Reporter] Azucena Ferrey now explains the objectives of her current activities.

[Ferrey] The Nicaraguan Resistance was formerly described as the contras. I can only accept that term if it means that I am against the violation of human rights, against the violation of liberties. If so, then I am a contra. In this our struggle, we resist every form of repression. We are in the process of establishing a democratic process in which pluralism will be truly effective and a new judicial alignment will be sought.

[Reporter] It has been said to Guatemala and of all Central America that each country has the government it wants. Is that true of Nicaragua?

[Ferrey] I believe the Nicaraguan people deserve something much better that what they have now. We sought something better when we challenged Somoza's dictatorship, and we choose to believe that a commitment that had been made -- with an original plan of government -- would be respected. The Guatemalans also experienced a dictatorship that lasted 30 years, and I have never believed that the Guatemalan people deserved this disastrous era. Nevertheless, you have achieved a process of democratization.

RED CROSS BOAT ATTACKED ON SAN JUAN RIVER

PA050458 Managua Domestic Service in Spanish 2300 GMT 4 Aug 87

[Report by Mauricio Matute from the Nicaraguan Red Cross office in Managua -- live]

[Excerpt] [Matute] Nicaraguan Red Cross Director Dr Gonzalo Ramirez will now read part of a communique issued by this organization concerning an attack on a Nicaraguan Red Cross boat.

[Ramirez] Good afternoon. It is very sad for us to announce on behalf of the National Council of the Nicaraguan Red Cross that a Nicaraguan Red Cross launch was ambushed at 1530 on the San Juan River, across from landmark No 1 on the Costa Rican side. The president and vice president of the El Castillo Red Cross branch and the driver of the launch, Enrique Pena, were fired on with mortars and rifles while attempting to find the body of a man who had drowned in the Sabalos River. There was no loss of human lives; some of the equipment was damaged, such as the helmets they were wearing, the smocks, the Nicaraguan Red Cross flags, the contents of the launch, and the engine and the launch itself.

Nicaraguan troops rescued the Red Cross members and they returned to El Castillo at 1900 hours on the same day. We are reporting this to the communications media so this attack can be made known. That part of the river belongs to Nicaragua, but the right bank I believe belongs to Costa Rica, and both countries are free to navigate it. The shooting came from the Costa Rican side. We are notifying all the Red Cross branches to see if this type of accident can be avoided in the future. Thank you.

[Matute] Is this attack going to be reported to the Red Cross headquarters in Geneva for any action that can be taken through the Costa Rican Government? Is this done as a general rule, or not?

[Ramirez] Of course our sister Red Cross Organizations will have to take steps to prevent this type of incident from taking place. The Red Cross vehicles are well identified, they are fulfilling humanitarian duties, and it is not fair, it is not good that people attack Red Cross personnel who are well identified and are not doing anything outside of their Red Cross duties, which are well known. [passage omitted]

CHAMBER OF COMMERCE SEARCH FINDS 'OVERTHROW' PLAN

PA051350 Panama City ACAN in Spanish 0912 GMT 5 Aug 87

[Text] Panama City, 5 Aug (ACAN-EFE) -- The Panamanian authorities today announced they have discovered a 10-point opposition plan to overthrow the government.

In a news conference early this morning, Attorney General Carlos Villalaz announced during a search on Tuesday of the Chamber of Commerce, headquarters of the opposition Civilianization Crusade, "highly compromising documents that tend to go against the internal stability of the state" were found.

He added that those documents included an "operations chart of how the Eric Arturo Delvalle government was going to be overthrown."

According to the document, the plan consisted of forming a government junta. Prior to this, the members of the military leadership and the lieutenant colonels would retire. After this, the legislative assembly, the supreme court, and the electoral court would be suspended.

A fifth [as received] step would be the appointment of a constituent assembly to be followed 3 months later by the convocation of a plebiscite to elect the members of the supreme court. Six months after this another plebiscite would be held to form a constituent assembly [as received].

According to the document, an eighth step would be to draft a new electoral law, after which a period for the registration of political parties would be opened. General elections would then be held within 10 to 12 months.

Attorney General Villalaz added the authorities seized originals of telex messages sent to Prime Ministers Yitzhak Shamir of Israel, Jacques Chirac of France, and Yasuhiro Nakasone of Japan, and U.S. Secretary of State George Shultz. He said that messages gave "alarming news, which harms the national economy."

Government and Justice Minister Rodolfo Chiari said "according to the proof we have, there is an entire plan to overthrow this government. We are going to undertake very thorough investigations."

He added the investigations will be carried out "to the end."

Major Nivaldo Madrinan, director of the National Department of Investigations (DENI), who was also present in the news conference, said that fly sheets seized during the search "no longer merely call for peaceful demonstrations" and, instead, have the objective of "disrupting public order through violent means."

The chief of the civilian police [as received] said that the fly sheets explain how to make Molotov cocktails, how to erect burning barricades, how to confront the public force, and how to violently act against progovernment demonstrations.

He said the "basic objective" of the Civilianization Crusade is "the seizure of political power" and for this purpose it proceeded to "destroy the image of the commander in chief of the Defense Forces," General Manuel Antonio Noriega, and "to attack the military leadership with slanderous charges."

He also referred to the way in which the international press was used to completely distort the truth about Panama."

The headquarters of the Chamber of Commerce and Industry of Panama was searched on Tuesday afternoon as part of a judicial process being carried out against the Civilianization Crusade.

The opposition activities of the crusade; which is comprised of about 100 political, business, and professional organization; are coordinated from the Chamber of Commerce.

For the past 2 months, this civic coordination organization has been trying to force the removal of the government and Gen Noriega until an independent commission investigates the charges of "political corruption" made against the Panamanian authorities.

Davis Comes To Scene

PA051251 Panama City CRITICA in Spanish 5 Aug 87 pp 1, 29

[Text] A large number of leaflets calling for violence, bloodshed, and class struggle were seized yesterday afternoon at the Chamber of Commerce headquarters.

Third Distirct Attorney Mario Ballesteros performed the search in response to citizens' reports that "activities against order and civility were being carried out" in those office.

In accordance with the Constitution and the law, District Attorney Ballesteros led the occupation at approximately 1600, submitting a search warrant. A large amount of literature described as subversive material in the Administrative Code was seized.

The immediate arrival at the occupied permises by U.S. Ambassador Arthur Davis was cause for much displeasure. Apparently, he was called via "walkie-talkie" [preceding words in English] by members of the Civilianization Crusade who were inside the occupied premises.

As in the days of Teddy Roosevelt, the Man with a Club (Big Stick) [preceding words in English], Ambassador Davis, forgetting the most basic rules of international law, shouted at the Panamanian authorities. A little more and we would have called in the Marines who are at the Embassy.

CRITICA learned that no arrests were made during the occupation directed by District Attorney Ballesteros. The reason for the occupation was to seek subversive printers and literature going against the Christian religion by calling for class divisions and hatred. This is strictly prohibited by the 1972 Constitution.

Last minute reports said that a "war foot" [pie de guerra] group paid for by the leaders of the Civilianization Crusade and which have usurped the headquarters of the Chamber of Commerce arrived several minutes after the occupation, promoting violence and begging for a victim.

At the instructions of Arthur Davis, the leaders of the Civilianization Alliance [as published] remained inside the premises, where they made telephone calls to U.S. newsmen in Panama and abroad who are dedicated to misinforming others about the Panamanian situation.

Arrest Warrants Issued

PA051911 Panama City Domestic Service in Spanish 1736 GMT 5 Aug 87

[Text] Panamanian Attorney General's Office, after evaluating the material found at the main office of the Panamanian Chamber of Commerce, Industries, and Agriculture, ordered the arrest of its president, Aurelio Barria; Roberto Brenes; Gilbert Mallol; and other members of the organization, according to the first versions at the Chamber of Commerce office, which became the main center of sedition against the government, boosted by the so-called Civilianization Crusade. The authorities found material described as subversive.

Despite the arrest warrants against members of the Crusade, as of dawn today, the arrests had not been made, because these individuals, knowing they have committed subversive acts, are not at their usual homes, and are hiding in different places.

The search by authorities did not cause any injuries, and no one was arrested either, because the responsibility of these subversive acts falls upon individuals whose whereabouts are unknown.

Journalist Tomas Alberto Cupas was in charge of calling all the reporters to listen to statements by Attorney General Villalaz, but following a discriminatory action, did not call reporters of his liking.

Radio Nacional itself had to make extraordinary efforts to find out what was happening, using other official resources.

From the Chamber of Commerce offices, where all destabilization efforts against the constitutional government are planned, flyers were handed out with instructions for violent protests, on the manufacture of Molotov bombs, building of barricades, and stockpiling of rocks.

Also censured was the presence at the Chamber of Commerce office of U.S. Ambassador Arthur Davis and his daughter Susan Davis, which is meddling into the country's internal business.

According to some leaders, all the subversive actions against the country's government have been organized at the U.S. Embassy; therefore, the Panamanian authorities have presented a formal protest.

The U.S. Embassy is also accused of protecting [Deputy Chief of Mission] John Maisto, the brains behind Aurelio Barria and his group, so he could put into practice in Panama the Philippine plan that overthrew the Ferdinand Marcos government. It was also Maisto who arranged for the trip to the Philippines by Barria and Father Fernando Guardia to learn all the details of this plan.

It is expected that during the day, authorities may have more information on the actions of national security authorities and the whereabouts of Barria, Brenes, Mallol, and other members who had arrest warrants issued against them, to have them answer charges of sedition escalation encouraged in a sector of Panamanian society.

In another turn of events, we have just received this communique:

5 August 1987

The U.S. Embassy reports that the news concerning Ambassador Davis published in CRITICA on 5 August and widely commented in other media is a lie.

The publication of this article by CRITICA was part of a harmful political campaign carried during the past few weeks against the United States by the newspaper.

Attorney General Explains 'Plot'

PA051932 Panama City Televisora Nacional in Spanish 1742 GMT 5 Aug 87

[Passage within quotation marks recorded]

[Text] The Attorney General's Office has disclosed several aspects of the Civilianization Crusade plot to overthrow the government. Televisora Nacional reporters worked until daybreak to collect this information.

Panamanian Attorney General Carlos Augusto Villalaz warned at daybreak today that he will energetically proceed against the people involved in the plot to overthrow the government.

Villalaz made this statement to the media when he disclosed details of the search conducted by the Third District Superior Court at the Chamber of Commerce, Industry and Agriculture headquarters and at the offices of APEDE [Panamanian Association of Business Executives]

The attorney general said they had found very compromising documents and evidence attacking the government's stability. Villalaz showed the newsmen some leaflets, documents, video cassettes, photographs, and telex messages, as evidence of his statement.

The attorney general gave details on the Civilianization Crusade strategy to overthrow the government.

[Villalaz] "We have found that they had 10 points:

"1. Removal of the military High Command.
"2. Removal of the lieutenant colonels.
"3. Establish a government junta.
"4. Suspend the legislative branch, the Supreme Court, and the electoral Tribunal.
"5. Establish a constituent assembly.
"6. [Hold a] plebiscite on the Supreme Court within 3 months.
"7. [Hold a] plebiscite on the constituent assembly -- 6 months. [as heard]
"8. Draft an electoral law.
"9. Register parties.
"10. Elections within 10 to 12 months.

"They also say: Within 3 months, question, and investigate all people who have had charges leveled against them.

"In addition, they have here a picture of a pyramid that reads: Out: 60 days. This is written in English. The second point in the pyramid explains in English: Out: Immediately. The third point in the pyramid chart reads: What is at the bottom, goes to the top. (lo que esta abajo, subir) This is written in English.

"This is the evidence, sirs. When we speak, it is because we have evidence, which you can see here."

Attorney General Villalaz reported the involvement of high school and university students in the Civilianization Crusade.

[Villalaz] "The use of high school or university freshmen students was confirmed. They were receiving training, and were distributing the communiques which, due to physical constraints, we cannot have here. They have been stored in another place. Also, we found communiques to the parents of IPHE [Panamanian Special Rehabilitation Institute] students. We found communiques, some 20,000 and 10,000 issues of each communique."

Attorney General Carlos Augusto Villalaz was very emphatic, and noted that such actions deserve arrests.

[Villalaz] "The Attorney General's Office is aware that all these actions deserve arrest. They should not come to us later with their godfathers to ask for release of the Crusade people. This is the only warning I want to give."

Finally, Justice and Government Minister Rodolfo Chiari de Leon noted the following:

[Chiari] "As the attorney general and the prosecutor have already stated, and according to the evidence here, which you have been able to see -- and we have more, but I understand that due to space reasons we do not have it here -- there is an entire plan to overthrow this government. I want to tell you that we will energetically investigate this material, which is part of the evidence, since these people have violated the Penal Code and all Panamanian laws. We will carry out this investigation to the very end."

We now have a report on the latest news concerning the proceedings at the Attorney General's Office regarding the case of the National Civilianization Crusade.

The Attorney General's Office confirmed a few minutes ago that last night following the search yesterday afternoon, it issued six arrest warrants against members of the National Civilianization Crusade involved in what the Attorney General's Office has termed: subversive actions against the Republic.

Mario Ballesteros, prosecutor from the First District Superior Court; and a commission are currently analyzing the documents confiscated, which include telex messages to the prime minister of Israel, Japan, and Canada; and to U.S. Secretary of State George Shultz, among others.

In one of their paragraphs, the telex messages read that the people's demands have been ignored, and the peaceful demonstrations have been dispersed with harsh military repression, including all kinds of inhumane actions against civilians, and urges them to take any necessary actions to immediately suspend the economic and political support for the present Panamanian Government.

Moreover, during the search, the authorities found audio and video cassettes, an official seal belonging to the Third Superior District Court, and some manuscripts.

Televisora Nacional learned from Defense Forces sources that some arrests have already been made, although the names of the people arrested have not been disclosed. This will be reported in the afternoon.

Major Nivaldo Madrinan director of the DENI [National Department of Investigations] stated that the confiscated pamphlets were not simply calling for peaceful demonstrations, but rather aimed to disturb public order through violence.

Attorney General Carlos Villalaz explained the procedure that will be carried out when the document analysis has been concluded:

[Villalaz] "The corresponding prosecutor will open a file with the documents and will classify them by subject, such as those dealing with crimes against the physical security of the Panamanian State, crimes against the national economy, and others on the subject of stealing a public seal, which was found during the search at the Chamber of Commerce. The public seal refers to the official seal used by the Third Superior District Court, which had been missing for the past few weeks, and which was found during the search. This is stated in the records that the prosecutor has. The seal was found hidden behind the ceiling in one of the Chamber of Commerce offices. That is: Stealing a public seal. Therefore, there are several crimes. Each one of them will be treated according to the Penal Code, and the Penal Code rules will be enforced."

The Chamber of Commerce, Agriculture, and Industry operated normally this morning; however, the wrought iron entrance doors were locked.

CRUSADE LEADERS PLAN DEMONSTRATION 6 AUG

PA060438 Paris AFP in Spanish 0312 GMT 6 Aug 87

[Excerpts] Panama City, 5 Aug (AFP) -- The Panamanian Government threatened those citizens who participate in a demonstration called for Thursday afternoon by the National Civilianization Crusade with imprisonment and fines of up to $5,000.

The measure was announced by Mayor Jilma Noriega, who said that it is aimed at "recovering the climate of peace and security that has characterized us."

However, the leaders of the Civilianization Crusade, who have been sought since this morning by the authorities, reiterated at noon, through flysheets, that the "big white demonstration" will be held as planned. [passage omitted]

Despite the persecution of the opposition leaders, spokesman for the Crusade said that "for the time being they are in a safe place, ready to continue the struggle for democracy and against the dictatorship."

Aurelio Barria, president of the Civilianization Crusade, said this morning that "liberty has a price and we are willing to pay that price."

Barria stressed that the government repression unleashed in the past 2 months against those demanding the ouster of Noriega -- charged with drug trafficking, crimes, and electoral fraud -- "has allowed the situation to mature to call a new general strike."

Meanwhile, the newsmen and workers of the newspaper LA PRENSA, closed together with two other newspapers 13 days ago, staged a protest demonstration today to demand the reinstatement of freedom of expression.

Also, representatives fo the Inter-American Press Association (SIP) and of the Human Rights Commission of the OAS, who arrived here in the past few hours, announced that a statement on civil rights in the country will be made tomorrow. [passage omitted]

Observers do not dismiss the possibility that tomorrow's demonstration in front of the El Carmen Church may lead to violent incidents, as occurred 3 weeks ago.

Mayor Bans Activities

PA052334 Panama City Domestic Service in Spanish 2242 GMT 5 Aug 87

[Text] Panama City Mayor Jilma Noriega de Jurado has called a news conference to announce the banning of the "White Rally" scheduled for tomorrow and of all caravans and any other type of activity that will affect public order. The test of the Municipal Council's Agreement No 27 is as follows:

In accordance with Article 17, Ordinance 22 of Law No 106, issued in 1973, it is the duty of the Municipal Concil to adopt measures to protect the people and property and to make sure that social calm is not disrupted and the interests of the people are not affected; it is the responsibility of the police authorities to adopt measures to prevent traffic problems, the disrutpion of public order, and violation of the rights of third parties. Under these circumstances, civic, social, union, religious, and business organizations have asked the Panama City Municipality to adopt measures to protect the atmosphere of social and economic stability in the city. This stability has been affected by recent public summons, made through the media, which are aimed at inciting rebellion, sedition, and subversion, thus violating and ignoring the established democratic system.

Therefore, the Municipal Council agrees:

1. As of this date, all types of public demonstration or large gatherings, with the evident purpose of disrupting public order and inciting people to disavow the legally established authorities and powers, and with the use of illegal means and ends, are hereby banned in the District of Panama.

2. The mayor of Panama City, the corregidores, and the Defense Forces, are hereby authorized to enforce what has been established in this agreement.

3. All violators of the above will be fined from $1000 to $5000, or will receive a jail sentence equal in time to the amount of the fine.

4. This is a public order agreement and will be enforced as of this day.

The mayor of Panama City said this decree is aimed at guaranteeing the lives and safety of the people. We cannot allow bloodshed because this is not part of the Panamanian way of life, the mayor said. The following are excerpts of Mayor Jilma Noriega de Jurado's statements to the press.

[Begin Jurado recording] As mayor, but more importantly as a woman and mother, I wish to adopt the measure to suspend tomorrow's demonstration and to suspend the caravans, such as the recent ones. I am doing this in accordance with Municipal Agreement No 27, which calls for the suspension, as of this date, of all types of public demonstrations or large gatherings, held with the evident purpose of disrupting public order or inciting the people to disavow legally established authorities and powers, by using illegal means and ends in Panama City. This is the legal side of the agreement.

However, I have a much more important reason for doing this. At this moment I wish to address you not only as a woman, but as a Panamanian citizen. I would like to say that as the district's authority I must guarantee the safety, tranquillity, and, above all, the lives of the people who live in this area. A single drop of bloodshed, regardless whose blood it may be -- a member of the National Civilianization Crusade or any other person -- this blood hurts my heart in a way that I am sure it also hurts the hearts of all mothers and all good Panamanians. [end recording]

CONATO LEADERSHIP DISAGREES WITH CRUSADE'S STRIKE

PA051745 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Aug 87 p D48

[Article by James Aparicio, LA ESTRELLA DE PANAMA staff writer]

[Text] Yesterday, the National Council of Organized Workers (CONATO), through its coordinator for the month of August, Jose Antonio Parra, told LA ESTRELLA DE PANAMA that this organization disagrees with the strikes called by the National Civilianization Crusade.

The labor leader noted that although there is "mutual respect," when these kinds of activities are held, when workers "are on strike," the business sector exerts "all kinds of pressures."

Parra explained that CONATO maintains its decision proposing that "companies that close down will be taken over" [by the workers] because "some business owners have filed petition at the Labor Ministry to close down and dismiss all workers."

This afternoon, the directors of this organization, which is composed of all labor unions in the country, will meet to discuss the national situation and to express its position regarding the opposition's rally on Thursday.

According to CONATO's coordinator, the workers are waiting for a response from the national government concerning a list of petitions delivered to General Manuel Antonio Noriega during a meeting held 2 weeks ago at the Soloy Hotel in Panama City.

EL DIA INTERVIEWS DELVALLE ON CRISIS, EFFECTS

PA041600 Mexico City EL DIA in Spanish 27 Jul 87 p 10

[Interview with President Eric Arturo Delvalle by "special reporter" Frida Modak at the Presidential Palace in Panama City on 26 July]

[Text] [Modak] Panama is experiencing a serious crisis. What is your assessment?

[Delvalle] Indeed. We are entering the 7th week of various kinds of disturbances and demonstrations featuring "horns, pots, and handkerchiefs." All this started with statements by Colonel Diaz Herrera, retired, concerning four issues that have been used by the opposition for some time now. He confesses to participation in a few of those actions. He gave those issues the credibility that people needed to take to the streets.

This country is politically divided to a great degree. The 1984 election reflected this; there was a virtual tie. Out of 700,000 plus voters, we won by 1,763 votes. For a group of opponents who had been out of power for 16 years, it was unconceivable to lose by such a small margin. They immediately cried out that there had been fraud during the campaign, after the elections, and after the results were announced.

This divided the country considerably and kept it divided. At no time did they help the new president to govern; or to lead the country along democratic paths. The Defense Forces had committed themselves to taking that step, to making the transition. I believe the opposition has not helped further this cause.

Through their media, they have been fostering division. They have been using the media incorrectly to make provocations and insinuate contradictions, which they have been unable to substantiate with evidence. Unfortunately, Panamanian law requires the presentation of evidence to try someone for defamation and for disseminating false news. Thus one does not even pay much attention to this news. Unfortunately, this becomes a habit that only serves to take prestige and credibility away from people. It causes society as a whole to deteriorate.

Among other things, Diaz Herrera said there had been an electoral fraud "and it was committed in my own house," which he admits was purchased with money from visas issued to Cubans. First, he was not living in that house during the 1984 elections. Second, the elections were carried out in 3,902 polling places throughout the country. At each of these, only a specific number of persons could vote. It is specifically stated who can vote at a polling place without appearing on a polling list: these may be Defense Forces members on guard duty and nurses, doctors, and others who were available for any eventuality.

All these statements prompted the disturbances. Later, Diaz even cast doubt on his own institution when he said that all these operations are carried out as if they are institutional. Regarding the visas for Cubans, he gave a figure showing that most of the visas were signed by him.

He then said General Torrijos' death was no accident but an assassination. He noted that President Reagan, Vice President Bush, General Nutting, and I don't know who else, obviously, General Noriega, were involved in it. Finally, he also accused Noriega of being responsible for Hugo Spadafora's death.

There was so much tension during that time. The attorney general told me several times he was feeling anxious becuase he could not take action. He felt that if he took action and brought Diaz Herrera to appear before a court it would result in problems. The attorney general became the target of all kinds of attacks from the opposition media and we were afraid to take Diaz to court. It is completely false that we were hiding anything.

Almost 3 weeks ago, I addressed the nation and urged the attorney general to force Diaz Herrera to testify, regardless of the conditions. There is nothing to hide; let him testify freely. But medical certificates were presented. Then, an extension for the medical certificate was submitted. I think this latter certificate expires sometime soon. I presume he will present another certificate. We cannot continue like this.

I think this was basically what unleashed the problem. I repeat -- an attempt was made to believe what he was saying. He became the opposition's rallying point. The opposition gave prominence to his statements because they came from a man who was a former ranking military officer claiming to have participated in shady deals. That was all that was needed to inflame passions, and this is our current situation.

[Modak] However, aside from all that, there is something that was already there. This is an act of destabilization if ever there was one. All the known patterns of destabilization are present in this situation. Do you also view it in this way?

[Delvalle] But of course. The Panamanian opposition and the business groups, I do not know, I do not want to say it was so, but they received some signal from the U.S. Government that the moment had come to take action and that it was impossible to maintain General Noriega [in power] because "he was the source of all these evils." This was a factor that helped to incorporate more people into the movement, particularly the business sector. As you well know, this sector is made up of people who are shy and would rather have others voice these concerns, doubts, or resentments for them. However, the members of the business sector joined the movement. They will be very active in the strike they have announced.

I attach great importance to the fact that the business sector and the opposition felt there was a signal. However, the U.S. ambassador has assured me things did not happen that way. He said they talked with the opposition parties and the country's business and civic groups. He said that as they have talked with the government parties, they have also talked with the opposition. He said he has always been selling the idea that the 1989 elections should be clean.

I told him he has nothing to worry about. I told him that if they are not going to be clean I will not preside over them. I said that I guarantee perfectly honest elections. [paragraph continues]

I said the problem is not whether or not they are honest, because if there is a small difference in votes there will be a disaster just the same. This is exactly what is happening in Korea. I do not know if you have had a chance to read it in the MIAMI HERALD. They reported that when the Korean Government decided to yield and hold elections, an opposition leader said: If elections are held, and we truly doubt it, we will win. If we do not win it is because there was fraud. Either way, you lose.

Something similar is occurring in Panama. The opposing forces are very, very even. There is an independent sector that moves from one side to the other, but it sided mostly with the opposition in the last elections. I frankly do not see any sign that would indicate that this group will switch sides and support the government. I still maintain the theory that the country is virtually divided in half.

[Modak] Another aspect to which I was referring was the economic and social crisis affecting the common people. They are stating that the solution lies in rectification. What do you think is the likelihood that this rectification will be made and in what respect will it be made?

[Delvalle] There are always aspects in life that can be improved to benefit the common people -- that is, groups with small family income. There is also room for that. However, we cannot solve the biggest problem, which is unemployment, with this sort of measure [as published] just to please them.

Panama's serious problem is the 100,000 to 120,000 unemployed persons. No one is going to set up a business, a plant, or any type of service enterprise -- which is our major strength -- that is not going to produce income or profit. That is logical.

I would say that in most cases our lower income groups earn enough to make a decent living. There is always a bottom income bracket group that is experiencing hardships. However, I have seen much worse in other American countries, much worse. I would be more concerned about producing and generating income for Panamanians than about trying to come up with popular measures to lower the price of this or that staple product.

Panama has always been an expensive country because the balboa has parity with the dollar. However, we have been fortunate because inflation has not hit us. The inflation rate here has been less than 1 percent in more than 4 consecutive years. We have been fortunate especially for a nation that -- I admit -- has a government with an excessive work force.

Therefore, we not only have 120,000 unemployed persons but also an excessive work force in government. To reorganize states finances we should move this work force toward the private sector gradually because we do not want to leave these people without a job.

[Modak] When people talk about rectification they have other things in mind. Some think of it in terms of employment and labor guarantees while others do so from a political point of view -- that is, returning to Torrijist policies [linea] that have been abandoned. This is what I have gathered from people in the street. How do you feel about this?

[Delvalle] I think Gen Torrijos lived in a time when these measures brought great tranquillity to sectors in Panama that traditionally had been neglected.

All these sectors are participating in the country's political life. They have been neglected because the assembly of 505 representatives was phased out and replaced with a legislative assembly of 67 representatives. I believe the assembly was modernized, it was adjusted to the country's situation.

Torrijos carried this out at a time of affluence when banks were desperate to lend the Latin American countries huge sums of money without asking where they would invest. They only said: Take the money and pay us the interests. Today, the situation is just the opposite. They are now demanding that we pay the loans that enabled us to carry out social projects and infrastructure projects, which to a great extent cost more than what was estimated and which we are still paying bit by bit, not at the rate and pace in which the debt was contracted.

Therefore, the country cannot be developed at Torrijos' pace. Even if we wanted to, it cannot be done. Furthermore, I do not feel that a democracy in a country of 2.2 million people needs a congress of 505 representatives from each sector of the country to issue laws. That is the part that has been modified.

[Modak] How do you think the rectification people are proposing could be carried out?

[Delvalle] I do not think there is rectification here. I think we are acting with the understanding that the country belongs to everyone, that we are allocating large parts of the state budget to such sectors as housing, education, and health. These are our three most important current issues and problems. The other aspect is the productive sector, which in turn generates jobs.

We have taken the initiative. We issued three laws called the three-in-one laws, which no one liked. One was to promote, to clearly give incentives to agricultural production. We did the same for the industrial sector, always trying to protect domestic production, encouraging industrialists to be more creative and to export. In turn, the third law was required because some adjustments had to be made to the Labor Code. Because of this, it was said that we are going against Torrijos' policies. On one occasion even Torrijos had to negotiate changes.

This time, the dialogue took place in the Legislative Assembly. I presented the laws to the assembly and that is where they were debated. They were not passed exactly as presented by the executive branch, but they did seek the same objective. Speeches were delivered and changes were made in the assembly. All those laws have contributed to the creation of new jobs. The figures exist. For the first time in many years, the unemployment rate dropped three-fourths of a percent. For me that is satisfactory; it is a beginning. The laws had been in effect for just 1 year. That is why I believe we have not been moving away from a policy concerned with the well-being of all Panamanians, regardless of their social sector.

[Modak] President, in the middle of this situation, there is an issue that directly concerns you. There have been questions about the legitimacy of your mandate based on the election results. The effectiveness of your mandate has also been questioned. So as not to make any differentiations, I am going to ask you the same question I asked Gen Noriega. Who rules in Panama?

[Delvalle] Well, we already covered the part about legitimacy. Neither Noriega nor I rule in Panama. I shall explain why. As a result of the 1984 election, a single party's participation in the Legislative Assembly is so great that it has more than half of the seats. Just one party has them. [paragraph continues]

Therefore, there is no doubt the president of the Republic has command but he has to negotiate with that party, which has ties with and was formed by the Defense Forces.

This is why it is said that the Defense Forces, that Gen Noriega sent me the cabinet already formed. The day before yesterday, he sent me a letter because we had discussed the fact that there were three military men in the government and that I wanted to remove them so that I could convey the idea that this was not bad, that they are not imposed. I had asked him for the appointment of two of them. One was for an institution that was recently created and the other was for an institution [the National Railroad] where a little war was taking place with two parties fighting over control. One party had the director's post and the other had the deputy director's post. This is how I found it. I think there have been seven directors of the railroad to date.

Therefore, I asked Noriega for a captain and he said to me: Look, I am going to be honest, he won't be able to handle those people. I will give you another person. Do you know major so an so? Yes, I know him; can I have him? Yes. Send him over. When someone wants to distort the truth here, they do it very well. The opposition is skilled in doing so. Perhaps we have failed in not knowing how to sell the truth.

The president rules in Panama and the largest party, the PRD [Democratic Revolutionary Party], has great influence because it has 34 legislators. That is a reality. One does not need to count them, they are there.

[Modak] How do you define your relations with the Defense Forces and, also what is the role of the Defense Forces, which has not been a force that imposed a dictatorial regime, and yet now is expected to retreat to its garrisons in the terms understood in the southern cone, which means keeping the militarist phenomenon in a latent state.

[Delvalle] The Defense Forces assumed a new role under the leadership of Gen Torrijos and this is precisely what began to make more difficult the transition to a stronger democracy, without any interference -- let us say -- from the Defense Forces. They used to hold all the positions. They used to rule the entire national government.

There is a habit of going to them to resolve problems. We have had to face this and to try to make the people turn to the Presidency. I have received great cooperation from Gen Noriega. [I tell him:] Whoever goes to you, send him to me. Receive him, hear his story, and then send him to wherever he should go. There has been great understanding. On some occasions, he has made decisions or recommendations that another president might feel jealous about but that have not bothered me. I know he does so for the common good and to overcome some problem with individuals with whom he thinks he, rather than I, can better handle. He has been dealing with them for so many years.

In my relationship with him there have been no unpleasant attitudes from either of us. There has been great friendship and great mutual cooperation.

I would say the biggest problem, and here I will confess it in private to you, is that...

[Modak] Is this part of the interview?

[Delvalle] If you like. The biggest problem emerges from the system that Gen Torrijos created through his practice of making visits and of participating in things that fall, let us say, outside the true realm of the Defense Forces. The guard carries out some civic projects, helps us with roads, and participates in national life in this way.

There are occasions in which Gen Noriega makes visits to various towns in the country. It is very hard to say: No, I am not going to go because you are going to have a welcome for me with 300, 500, or 1,000 people. They make him the guest of honor at all the affairs that flatter us politicians. Therefore, I have always said that because of this lack of willpower on his part, it creates the appearance that he is the one who is jumping all over the place, meeting and talking with all the sectors of the country. However, he cannot be prohibited from doing so. A formula must be sought so he would say: I don't touch those problems; those are the president's problems. Then if we find ourselves in the same place, there will be no problem.

[Modak] Does this have something to do with what I heard from a member of your cabinet who said that it is the civilians' fault because they have been inefficient and have not been able to respond to the needs of the country?

[Delvalle] No, I wouldn't put it that way. There have been several ministers of those parties [in the cabinet] who think they can send a list of candidates for a post because they want certain persons to be chosen. As a result, those lists do not always include the best elements from those parties. There is a lot of cronyism. Well that is not how it is; I would never put it that way.

[Modak] I am going to ask you a final question concerning relations with the military. The question goes beyond Panama because the issue of who goes where and how that appears affects both the Panamanian situation and discussions in Latin America concerning the role of the armed forces. There is discussion abaout whether they are going to maintain the role of arbiters, not always in favor of the country's interest but in favor of foreign interests at a specific moment. Therefore, in what way does the manner in which this Panamanian situation is resolved affect Latin America and, what is more important for Panama, the recovery of the Canal Zone?

[Delvalle] I personally do not think the Defense Forces should be arbiters. As is established in their own law, the Defense Forces are at the orders of the president of the republic and as their law establishes, they should be in charge of their field. That field is a broad field of action where they must exercise their professional functions.

Panama is such a small country that our external problems with other countries are very small. As has been our tradition, we must maintain great friendships with all the countries we must keep canal transit safe and permanent for all the countries of the world, and we must not think about having a big army. We do not have one now. Counting the police, the Air Force, and the Navy, we have 15,000 people in the Defense Forces. Some people believe that number is already too high. [paragraph continues]

I feel the role of the Defense Forces is well defined in their own law and in the Constitution. There are some Panamanians -- lawyers, for example -- who think that perhaps the Defense Forces shold be an army and that there should be a separate police force in charge of maintaining order in the cities and the country.

However, I reiterate that the Constitution and Law 20, which governs the Defense Forces, very clearly define their role, function, and participation in national life which, I repeat, is very broad. That law was drawn up by them. The Constitution was drafted when the Defense Forces were in command of the country but with the participation of all sectors, especially concerning the Constitution. Therefore, there is nothing there that can bother them, nor is there great disagreement within the civilian sector regarding what is established in the constitution.

[Modak] To conclude, let us turn to Panamanian foreign policy, which is one of the elements involved in this crisis. What is the situation in this area? What is the furture of Contadora and Panamanian participation in the group, and what are the prospects in this regard?

[Delvalle] Well, Panama continues to participate in Contadora along with Mexico. We have not changed our position in any way. We are firmly convinced that by talking we can achieve peace in Central America. We continue to make efforts, perhaps even slightly outside the framework of Contadora. We recently invited President Daniel Ortega to visit us so that the presidential summit could be held.

We are not jealous of the Arias plan. On the contrary, we support it as long as if falls within the framework of the Contadora plan and as long as it is a comprehensive solution for the entire Central American region. I think there has been enough death, destruction, and extreme poverty in those countries and that we must all cooperate. I am proud that Panama, along with Mexico, Venezuela, and Colombia, belong to the Contadora Group and that we are struggling through this path to achieve peace.

There is no doubt that in some way this might bring us pressures and difficult moments. However, above all there is the belief and the certainty that this is the correct path. We will continue action on the basis of our conscience.

CABRERA CALLS CRISIS 'OUT OF CONTROL'

PA060139 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 31 Jul 87

[Interview with Panamanian Deputy Foreign Minister Jose Maria Cabrera by unidentified reporter, date and place not given -- recorded]

[Text] [Reporter] We are witnessing a major political problem such as the one in [words indistinct].

[Cabrera] We are certainly facing an upheaval in Panama as a result of the ambitions of political groups that have been outside the government for almost 20 years. Now they have flatly mounted an assault on the government. If it were not General Manuel Antonio Noriega, it would be whoever was in power or the head of the Armed Forces. I fell that Gen Riega's personality provides an excuse. By destabilizing the Panamanian Defense Forces [PDF], these political groups seek to destabilize the civilian government ruling the country.

Unfortunately, this is happening in Panama at present as a result of the ambitions and interests of political and economic groups. However, the Panamanian people together with the PDF have known how to face them.

[Reporter] The struggle has been radicalized with the closing of news media. The closing of the LA PRENSA and EL SIGLO newspapers has particularly drawn our attention because of Panama's great democratic tradition, or at least that was our impression. Why exactly was the decision to close them made?

[Cabrera] Well, although the Panamanian state respects and protects the constitutional rights to freedom of expression of all citizens, in the current situation in Panama, inthe entire Panamanian society, the state was forced or obligated to defned the high interests of society. These interests consist of the right to be...[changes thought]. Concurrently with the right to freedom of expression or the news media's right to freedom of expression, there is the right each citizen has to be properly and effectively informed, not misinformed. It is regrettable that the news media that had to be suspended systematically and continually participated in the call to subversion, sedition, or civil disobedience by promoting groups or the organization of violent demonstrations. The authorities had to put some sort of rein on them.

[Reporter] Why does the Panamanian Government feel that it is practically under attack by the foreign press?

[Cabrera] I think the coverage in many reports -- and the clearly subjective content of those reports -- and the systematic disinformation and half-truths, have forced the Ministry of Government and Justice, which is in charge of the National Directorate of Social Communication Media, to respectfully call on foreign correspondents to be objective and adhere to the truth in their reporting of the news from Panama. Every citizen or every individual has the right to be properly and correctly informed, not misinformed.

[Reporter] Mr Deputy Minister Cabrera, can you tell us who Manuel Antonio Noriega really is? What is the PDF commander in chief really like? Do you really believe Gen Noriega is doing things correctly, or quite the contrary, are there reservations that may justify the opposition of sectors that are even speaking of electoral fraud and corrpution, as Roberto Diaz Herrera -- a person we do not know in Honduras either [as heard] -- said?

[Cabrera] I would be glad to. Gen Manuel Antonio Noriega is a career officer with over 20 years of service in the PDF. He has spent this time at the service of the defense and security of the Panamanian nation and people. He has earned the promotions that have taken him to the head of the PDF. As the PDF served as the crucible where Panama's undisputed leader, Omar Torrijos Herrera's work. That is the historical role that Gen Manuel Antonio Noriega and the PDF are carrying out.

This is a serious responsibility, but it has its price. Part of that price is this campaign that has been organized. This is not the first time I say this. I think that this campaign is totally out of control. This campaign has focused on Gen Noriega's personality and image. He has been accused of committing all sorts of crimes and unseemly actions.

In view of that, the only thing that we have asked is that the proofs be presented. As part of this campaign, which has been going on for 2 years, the persons making the accusations against Manuel Antonio Noriega, other top PDF officers, and government officials have never given any proofs, or even half-proofs. Instead, they just repeat the accusations. I have reached the conclusion that if indeed Gen Noriega has been a spy at the service of the United States, Cuba, Israel, and [Mu'ammar al-Qadhdhafi] or guilty of the many accusations, he has all but surpassed Superman. If he truly is Superman, he has nothing to worry about. However, we insist in demanding of these unjustified accusers that they present proofs. If they are prepared to present them and do not trust Panama's legal system, they should present them to the international press. We dare them to do so.

[Reporter] I was struck yesterday that Panama's Foreign Ministry had seriously warned U.S. diplomats in your country. What does that really mean? What is happening? Are relations with the United States about to be broken? Why have U.S. diplomats adopted this attitude?

[Cabrera] We are absolutely not about to break relations. I think all the matters and common interests between Panama and the United States will not allow us to be led thoughtlessly and immediately to that situation. On the contrary, our interest is in having an improvement in all regards, including mutual respect for that relationship.

That is what we told the U.S. Embassy in Panama in our recent communique. The U.S. Embassy has taken it upon itself, in an uncalled for and unilateral manner, to publicly comment on actions that the government of the republic adopted as a sovereign country. Panamanians cannot tolerate that. I am sure that no Latin American country or people can tolerate or accept that either.

[Reporter] Excuse me, Mr Cabrera, is this an independent attitude by U.S. diplomats in Panama, or is this a policy of the U.S. Department of State.

[Cabrera] We are talking about a communique issued by the U.S. Embassy a few days ago. As it has been doing in the past few months throughout the crisis we have been experiencing, it has been expressing its viewpoints. Although we feel that they are free to do so, they must and can do this within rules established by international conventions on diplomatic relations, the principles that rule relations between states, and, basically, mutual respect. Whether or not that communique had the authorization and approval of the U.S. Department of State is an internal matter of the U.S. Embassy. I presume they have their mechanisms of internal coordination. However, the concept that is valid for the embassy is equally valid for the Department of State.

[Reporter] Traditionally, Panama has been Latin America's banking center. International confidence is very important for Panama to continue as the depository of the largest amount of capital in the world [as heard]. Rumors have begun to circulate that the country could be losing that credibility. Do you think the situation will deteriorate to that extent, or that it will be resolved?

[Cabrera] I do not think so [as heard]. It could be that some foreign funds were transferred to another international banking center. However, I feel the international banking center that operates in my country is sufficiently solid and the administration of its system sufficiently strong to survive and overcome the momentary crisis in Panama. This is a momentary crisis. For the sake of Panamanian people, we can overcome this crisis through the national dialogue President Eric Arturo Delvalle has proposed to all political forces. These forces have not yet accepted it. Sooner or later they will have to accept that the dialogue be held to discuss the differences dividing us and to resume our joint task for the development of the fatherland.

[Reporter] To conclude, Noriega is not leaving.

[Cabrera] Why should he leave?

MINISTER ABADIA INTERVIEWED ON U.S. AGGRESSION

FL041731 Mexico City NOTIMEX in Spanish 0354 GMT 2 Aug 87

[By Miriam Mercado, correspondent]

[Text] Tegulcigalpa, 1 Aug (NOTIMEX) -- Panamanian Foreign Minister Jorge Abadia said the political crisis confronting Panama is not casual. We consider ourselves to be confronting direct aggression from the United States, he said, which we categorically and emphatically reject.

In statements made to NOTIMEX, Abadia added that the United States is clearly using ultra-rightist Panamanian groups to attempt to overthrow the national government. He said U.S. interference is confronting Panama's refusal to allow its sovereignty to be stained because the country has dignity.

In reference to the U.S. request to dismiss General Manuel Antonio Noriega, chief of Panama's Defense Forces, the foreign minister said the government's position is firm in rejecting the interference of the U.S. Congress.

The Panamanian foreign minister said this is in accordance with the director established by the late General Omar Torrijos in that Panama is not a colony and will never be another star on the U.S. flag.

MINISTER CAPUTO RETURNS FROM JAPANESE TOUR

PY051912 Buenos Aires TELAM in Spanish 1716 GMT 5 Aug 87

[Text] Buenos Aires, 5 Aug (TELAM) -- Foreign Minister Dante Caputo returned to our country shortly after 1330 today from Japan, where he conducted negotiations to reach several cooperation agreements with Japan in the economic, cultural, and technical fields.

Caputo arrived at Ezeiza International Airport along with national Senator Fernando de la Rua (Radical Civic Union -- Buenos Aires).

Discusses Cooperation Plans

PY052350 Buenos Aires TELAM in Spanish 2101 GMT 5 Aug 87

[Text] Buenos Aires, 5 Aug (TELAM) -- Foreign Minister Dante Caputo has flatly denied international news agency reports on the sale of Argentine weapons to Nicaragua and Iran, saying such reports are false. Caputo was consulted on the issue after his return to Argentina from Japan. He said the reports are false.

Concerning the results of his visit to Japan and his meeting with Prime Minister Yasuhiro Nakasone and other Japanese Government officials, Caputo said a new step forward has been taken in the states' bilateral relations, which began in 1984 with new dynamics and new strength. He stressed the importance of technical and economic cooperation. Japan, Caputo said, is performing a process called the recycling of funds. Its economy, unlike that of many other countries, registers a large enough surplus to recycle those funds to revitalize the world econony. He added that Argentina can have access to those funds.

The next step, he explained, will be the selection of the areas where those funds will be used. Caputo stressed that Senator Fernando de la Rua, who accompanied him, performed a significant task. The Radical senator said a basic document was signed and will be submitted to the two governments in a few says. This document will set the guidelines for action, the basis for joint action in the areas of cooperation, and cultural, educational, scientific, technological, and economic development, taking into account both trade and the possibility for new investments. The joint document that will be released, De la Rua added, will be an important platform for this new stage in Argentine-Japanese relations, which allow for great expectations in many areas.

Caputo repeated that Japan believes Argentina is very likely to have a major part in the fund recycling program. This is the formula we agreed upon and I think it is very significant. Japan, the added, is taking major action in the world economy. He said on 6 July, Prime Minister Nakasone said to congress that the stability of the North is not guaranteed without the stability of the South. He added that in the meeting with his Japanese counterpart, Tadashi Gornari, he conveyed Argentina's support for the creation of the excellence committee (comite de excelencia) to analyze the problem of capital flow toward the developing countries. Argentina, Caputo said, wants to participate in this initiative, which analyzes how the northern countries can begin real and practical mechanisms to generate a flow of capital flow toward the South. What is happening now is that Latin America is a net exporter of capital, and Gornari's proposal tends to reverse this situation.

GOVERNMENT WANTS MONEY BACK FROM ISRAEL

PY051837 Buenos Aires Domestic Service in Spanish 1600 GMT 5 Aug 87

[Text] Argentina is going to demand that Israel return $70 million which Argentina paid in 1982 for the purchase of U.S. Skyhawk fighters, which it never received. This was reported today by the weekly COTERET RASHIT of Tel Aviv.

The publication points out that the total amount involved in the transaction was $86 million, but the fighters were not delivered because Washington embargoed the sale of U.S. weapons to Argentina during the Malvinas War. The weekly added that the Argentine Government would accept $70 million, but the Israeli Defense Ministry, which supervises the sale of weapons abroad, is only willing to return $50 million. The publication also says meetings are currently under way between officials of the two countries. The Israeli state comptroller is going to begin an investigation on possible irregularities in the operation by the Defense Ministry, which was then headed by Ariel Sharon.

The publication says that in 1982, a few months after the conclusion of the Malvinas War and the Israeli invasion of southern Lebanon, an Argentine Navy colonel [rank as received] named Estrada made a secret trip to Tel Aviv to purchase the Skyhawk fighters which are used by the Israeli Air Force. The publication also reports that Estrada requested the services of an Australian-Israeli businessman named Shkolnik and his company Sigma to contact Abi Dudai, who was Sharon's special adviser. The weekly goes on to say that Dudai put pressure on a department in the Defense Ministry to approve the sale. The U.S. Government then prevented Israel from delivering the airplanes to Argentina as a result of the Malvinas War but the money was never returned to our country. The Argentine Embassy in Tel Aviv today told EFE it had no comment on the report.

MISIONES PROVINCE BUYS SOVIET EQUIPMENT

PY051844 Buenos Aires Domestic Service in Spanish 0200 GMT 5 Aug 87

[Text] The Misiones Provincial Government today bought Soviet roadbuilding equipment: 10 roadgraders and 4 bulldozers. The provincial officials and a Soviet delegation this morning signed a contract at the Provincial Government House. The 10 roadgraders cost $1.6 million and the 4 bulldozers cost $300,000. This deal includes a 5-year payment tem, a 1-year grace period, biannual installments and interest rates ranging from 7.5 to 8 percent.

Provincial Governor Dr Ricardo Barrios Arrechea presided over the signing of the contract. Luis Maria Cassoni, vice governor of Misiones Province; Adalberto Levi, provincial minister of public workes and services; Enrique Smith, provincial under secretary of public works and services, and Ernesto Lopez, chairman of the board of the Provincial Highway Maintenance department were in attendance. Other Highway Maintenance Department directors and officials were also present. Mayors, both Justicialist and Radical from cities of the interior, were invited to the ceremony.

The following Soviet officials were present: Eng (Valeriy Orlov), head of the Soviet commerical office in Argentina; Eng (Dimitry Irigun), director of Traktoroeksport, the company that manufactures roadbuilding equipment in that country; Eng (Andres Gouclov), Traktoroeksport representative in Argentina; and Eng Jorge Prada, (Broes Export) representative in Argentina. (Orlev) invited Barrios to visit the Soviet Embassy in Buenos Aires. Barrios said he would do so believing both sides will make excellent deals.

SENATE, CHAMBER OF DEPUTIES ELECT NEW LEADERS

PY051307 La Paz La Red Panamericana in Spanish 1130 GMT 5 Aug 87

[Excerpts] Yesterday afternoon the National Congress elected new leaders for the Chamber of Deputies and the Senate for the 1987-88 legislative period. In the Chamber of Deputies, Willy Vargas Vacaflor of the Nationalist Democratic Action [ADN] was reelected president.

At the request of Deputy Guillermo Fortum Suarez, the secret voting was by a straight-ticket system. That is members voted for an entire slate of officials.

The new leadership in the Chanber of Deputies includes:

President: Willy Vargas Vacaflor
First vice president: Carlos Simon
Second vice president: Walter Soriano
First secretary: Gonzalo Simbron
Second secretary: Fernando Kieffer
Third secretary: Ulises Hurtado,
Fourth secretary: Carlos Farah [passage omitted]

The Senate yesterday also elected the new leaders who will work with Senate President Ciro Humboldt Barrero during the 1987-88 period. The session was chaired by Congress President Julio Garrett Ayllon. The new Senate leadership includes:

First vice president: Juan Luzio, ADN, 21 votes
Second vice president: Luis Anez Alvarez, MNR, 23 votes
First secretary: Jaime Villegas, MNR, 20 votes
Second secretary: Oscar Lazcano, ADN, 22 votes
Third secretary: Alfredo Cuellar Vargas, MNR, 22 votes

The first regular session of the Chamber of Deputies will be held on 10 August at 1600. The deputies will vote for the new senators and organize new committees.

GOVERNMENT RENEGOTIATES DEBT WITH PARIS CLUB

PY041927 Madrid EFE in Spanish 0405 GMT 4 Aug 87

[Text] La Paz, 3 Aug (EFE) -- Bolivia will approach the Paris Club for the second time to renegotiate approximately $900 million, which is part of a $1.5 billion bilateral debt contracted with South American, European and Southern African countries.

Talks with the Paris Club will be supported by an agreement Bolivia signed with the International Monetary Fund (IMF), which recommended renegotiation of portions of the bilateral debt that fall due between June 1987 and June 1990, amounting to approximately $900 million according to the authorities. Thus far President Victor Paz Estenssoro's administration has managed to renegotiate $643 million of the $1.5 billion it owes.

According to government sources, negotiations have been satisfactory with Denmark, the Netherlands, Belgium, the United States, France, Japan, the FRG, the United Kingdom, and South Africa. Officials have reported that talks are under way with Austria, Israel, and Switzerland, while Argentina and Brazil, Bolivia's main bilateral creditors, have yet to be approached. Bolivia's overdue debt with Argentina and Brazil amounts to $300 million.

GOVERNMENT REACTS FAVORABLY TO REAGAN IDEA ON DEBT

PY051646 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 5 Aug 87

[Text] The Brazilian Government is pleased with comments by President Ronald Reagan on converting the Latin American foreign debt into risk capital. In this regard, Reagan asked for concrete proposals.

The Brazilian Government reported it is already studying this issue, although it does not have a specific idea how the conversion will be achieved. At any rate, Planalto Palace described as a good indication the fact that for the first time an alternative has been raised for the foreign debt issue, and this alternative was raised by Brazil's largest creditor.

BRESSER ON WAGE REDUCTION FOR PUBLIC SERVANTS

PY051518 Brasilia Radio Nacional de Amazonia Network in Portuguese 1000 GMT 5 Aug 87

[Text] The Interministerial Wage Council for State-owned Enterprises has met for the first time in several months at the Finance Ministry.

The meeting lasted more than 3 hours. Present were Minister Bresser Pereira, president of the Interministerial Wage Council for State-owned Enterprises; Labor Minister Almir Pazianotto; SEAP [Special Secretariat for Supply and Prices] Secretary Ricardo Santiago; [acronym indistinct] Secretary (Julio Colombe); and Administration General Secretary (Geliano Marcelino).

At the end of the meeting, the finance minister said a 7-percent reduction in the wages of state-owned enterprises employees was discussed. This point is included in the macroeconomic program.

[Begin recording] [Bresser] The macroeconomic program establishes that the wages of employees of the state-owned enterprises must be reduced by 7 percent.

[Reporter] How do you plan to achieve that?

[Bresser] [Passage indistinct] [end recording]

Labor Minister Almir Pazianotto would not comment on the outcome of the meeting. He said, however, that additional discussions would be held.

STATE DEVELOPMENT FUND TO FINANCE AMX PLANE

PY060337 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Aug 87 p 1

[By Gilberto Dimenstein]

[Text] The National Development Fund (FND), which was created to finance projects of infrastructure and social programs, is funded by compulsory savings on cars and gasoline. It will now have the unusual function of financing the manufacture of weapons. FOLHA learned at the Ministry of Aeronautics that the FND will finance the development of the sophisticated AMX fighter bomber, which is equipped with cannons, missiles, bombs and rockets.

The development of the AMX began in 1980 and the cost of the project is estimated to reach $1 billion (46.2 billion cruzados). Each unit will cost $10 million (462 million cruzados).

This decision is included in the Government Action Plan (PAG) [Plano de Acao Governamental] which was originated by the Planning Ministry and submitted to President Sarney. The contents of the plan will be revealed this month. Minister Anibal Teixeira was pressured to make cuts in the plans budget, but maintained his decision that the FND should finance the development of the AMX. The reductions made to the PAG stem from the Finance Ministry's goal of keeping the public deficit (the difference between revenues and expenses) under 3.5 percent of the GDP, that is, approximately 385 billion cruzados. The AMX was included in the PAG because it was one of the priorities of the Aeronautics Ministry. Besides, it has been under development since 1980 under a rigid international schedule. [The AMX fighter-bomber is being co-developed by Embraer -- Brazilian Aeronautics Company -- and the Italian companies Aeritalia and Aermacchi Spa]

The PAG contemplates the financing of projects of infrastructure and social programs for the period 1987-91. The plan's estimated total investments, including the contribution of the private sector, total 10.6 trillion cruzados. The FND appears in the plan among the financing mechanisms. The FND was created last year and was soon nicknamed "little cruzado" [cruzadinho]. Its purpose is to create an organization to answer the country's need for resources to finance "vital" works in the areas of energy, steel production, and telecommunications, and to help the country's economic development.

REPORT VIEWS REPERCUSSIONS OF DRUG TRAFFIC

PY060134 Madrid EFE in Spanish 1742 GMT 5 Aug 87

[By Adalid Cabrera Lemuz]

[Text] Sao Paulo, 5 Aug (EFE) -- The Brazilian police today revealed that Brazil has become the new operational center of powerful international gangs of drug traffickers. The police added that criminal activity and violence have increased as a result.

Jose Augusto Bellini, director of the Federal Police Drug Repression Office, drug traffickers who previously operated in Bolivia, Colombia and Peru -- the main coca producing countries -- have moved to the Brazilian Amazon region and now cultivate "epadu," which is a plant similar to coca, the raw material for the manufacture of cocaine. Bellini added that in the recent operation "Marubu," the drug repression organization destroyed nearly 6,00,000 square feet of "epadu" crops in Amazonas State, which borders Colombia, Peru, and Venezuela.

According to Bellini, the strict police control of the export of large volumes of ether and acetone to Bolivia and Colombia has accelerated the installation of cocaine base purification laboratories in Brazil. Ether and acetone are chemicals used in the manufacture of cocaine. Bellini said the police measure has prompted drug trafficking gangs to move to Brazil where these chemicals are sold without government controls. He added that drug traffickers have built their own laboratories in Brazil in order to produce the cocaine base destined for Europe and the United States.

So far this year Brazilian police discovered three large cocaine manufacturing laboratories in Campinas, Sorocaba and Mogi das Cruces, all in Sao Paulo State, Latin America's largest industrial center.

Brazilian Federal Police Director Romeu Tuma today said that in the last 2 years there has been a noticeable increase of cocaine consumption in large cities, where death due to drug overdose is frequent. Even though there are no statistics on the levels of cocaine consumption in Brazil, police estimate it represents at least 30 percent of total cocaine seizures, which in 1986 totaled 790 kg. The total amount seized the first half of this year already totals 647 kg.

According to Tuma, cocaine has reached all Brazilian social classes because it is offered in a variety of prices and purity. He added that this is the cause of increased violence in the large cities.

A report from the World Health Organization (WHO) states that cocaine use has reached epidemic porportions, not only in consumer countries in Europe and the United States, but also in producing countries such as Bolivia, Colombia, Peru and Brazil. The production of coca leaves in Bolivia, Colombia, and Peru has increased six fold since the 1970's. This made the price reduction and diversification according to purity possible.

Latin American drug consumption control organizations have discovered children who smoke cocaine in cigarettes. They mix tobacco with cocaine waste. This mix provokes irreversible brain damage.

WHO has reported that in some Bolivian rural zones drug traffickers employ children in their cocaine factories to trample on cocaine leaves and extract the juice that is later processed with ether and acetone. The report adds that these children are not well fed and drug traffickers distribute cocaine among them to alliviate their hunger and cause them to feel euphoric about their work.

Brazilian authorities are concerned about the reports of the installation of cocaine laboratories in their territory, which spands over 8,500,000 square km, because drug traffickers could employ many thousands of abandoned children who wander around large Brazilian cities.

OFFICIAL INFLATION RATE FOR JULY 3.05 PERCENT

PY020239 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Aug 87

[Excerpt] It has been officially announced the July inflation rate was 3.05 percent. This rate was announced yesterday by the IBGE [Brazilian Institute of Geography and Statistics]. It is based on the IPC [Consumer Price Index] from 16 June to 15 July, compared with the IPC for 16-22 June. [passage omitted]

GENERAL SAYS PLEBISCITE ADVANCED TO 1988

PA052348 Paris AFP in Spanish 2329 GMT 5 Aug 87

[Text] Santiago, 5 Aug (AFP) -- The government of General Augusto Pinochet has decided to advance by 1 year the plebiscite scheduled for 1989 in Chile to designate the future president of the Republic, a ranking official source announced today. "We are 200 working days away from the plebiscite," General Eduardo Ibanez, intendant of Bio Bio region and close collaborator of Pinochet, declared in a public event. The statement by the intendant, who exercises the duties of governor of that southern Chilean region, constitutes the first official indication that the popular plebiscite will be held, possibly next March.

UI REJECTS PDC MOVE TO REGISTER FOR ELECTIONS

PY060324 Madrid EFE in Spanish 1549 GMT 5 Aug 87

[Text] Santiago, 5 Aug (EFE) -- The Chilean United Left (UI] today criticized the PDC's [Christian Democratic Party] decision to start taking the necessary steps to register for the next elections, in accordance with the Political Parties Law promulgated by General Augusto Pinochet's military regime.

The leftist coalition stated: "We respect the autonomy and independence of all parties, but the importance of the decision made by the PDC goes beyond the party's limits." The coalition, whose central axle is comprised of communists and Marxist-Leninist socialists, deemed "positive" the emphasis the PDC put on the strategy of social mobilization and "its commitment to the fight for the reestablishment of democracy." The UI added, however: "We are worried about the PDC decision to start taking the necessary steps to register in accordance with an illegal and antidemocratic law." In the UI's opinion, this decision "means the PDC accepts an institutional system that distorts democracy. By making this decision, the PDC is commiting a serious political mistake, and assuming a great responsibility."

MERINO ON PDC'S NEW LEADERSHIP; CURRENT LEGISLATION

PA051414 Santiago Radio Chilena Network in Spanish 2300 GMT 4 Aug 87

[Excerpt] Admiral Jose Toribio Merino said the election of the new Executive Board of the Christian Democratic Party [PDC], headed by Patricio Alwyn, is a positive step, and he hinted at the possibility of holding talks with that organization as soon as it registers as a political party.

Merino, a member of the government Junta, made these remarks at the conclusion of an ordinary session of the legislative branch. He was also asked about the criticism of the bill that amplifies Article 8 of the Constitution. This bill, which was submitted to the Fourth Legislative Committee, contemplates punishment for who promote totalitarian ideas against the family and society.

[Begin recording] [Merino] I do not know. They can talk. Here, anyone can say what he wants. People have the right to speak of any type of barbarity. If there are people who want to do so, let them say it.

[Reporter] [Words indistinct] shall we say limits freedom...

[Merino, interrupting] No. The law prohibits the presence in Chile of terrorists, murderers, and other humanoids who try to kill human beings like us who live in this country.

[Reporter] Admiral, what is your opinion of General Stange's decision to pull all Carabineros personnel out of the CNI [National Intelligence Center]?

[Merino] I do not believe the procedure [words indistinct]. He has his problems and if he does not have enough personnel he has to get men from somewhere. That is his problem, not mine, so why don't you ask him.

[Reporter] What is your opinion of the PDC's new executive board?

[Merino] Well, I find it positive that a person who was once PDC president has now returned to that post. Now that the party has an executive it must register as a political party. Until it does it is still not a party. When it has registered as a political party with an adequate executive board we can hold talks with it. [end recording]

Merino was then asked about the draft law that has the intention of extending the working hours of the registration boards. He said the bill has been submitted to the legislative branch and because it concerns an urgent subject it will be signed within the next few days. [passage omitted]

POBLETE VIEWS HUMAN RIGHTS VIOLATIONS, CNI

PY052309 Santiago Domestic Service in Spanish 1700 GMT 5 Aug 87

[By Graciela Contreras]

[Excerpts] Minister Secretary General of Government Orlando Poblete said torture and repression do not exist in Chile. Poblete said this in reference to recent remarks by FRG Labor Minister Norbert Bluem, who, during a short visit to our country, criticized the human rights situation. Minister Poblete said our government's basic principles fully acknowledge individual guarantees and the basic principle of respect for the individual. These and other remarks were made by the minister during a meeting with journalists that cover La Moneda Palace. [passage omitted] The minister believes truth and reality have prevailed and that it has been demonstrated that these reports are part of a persistent campaign of distortion and disinformation of national reality.

Chile has had to fight hard to defend the security of the people, and to ensure their freedom in general. The need to defend itself from Marxist aggression has forced the government to permanently resort to the Armed Forces security srvices. [passage omitted] Commenting on some people's opinion that organizations such as the National Intelligence Center [CNI] should not exist, Poblete said he is opposed to eradicating it. He added that this type of organization is in accordance with the dynamics and circumstances of current times. Minister Poblete also agreed with General Rodolfo Stange's suggestion that Carabineros should unify its personnel, and that Carabineros serving in other units should return to their ranks. Poblete said Stange's suggestion is aimed at increasing the number of Carabineros because they perform important police tasks. Poblete asserted that the government is ready to establish a dialogue with the different opposition sectors.

FARC COLUMN BURNS POLICE POST IN CAUCA

PA050241 Bogota EL SIGLO in Spanish 29 Jul 87 pp 1, 8

[Text] Yesterday, the Army and the National Police launched a counterinsurgency operation to dislodge the 400 rebels who supported Monday's bloody raid on Bajo Anchicaya Corregimiento, Valle del Cauca, from the western mountain range. A noncommissioned officer and three policeman died in the raid.

General Hernan Jose Guzman Rodriquez, commander of the 3d Army Brigade; and Colonel Carlos de la Torre Alarcon, commander of the Valle del Cauca police, are personally directing the operations against the large rebel column, which has identified itself as the FARC's 8th Front.

As is known, Second Corporal Rafael Antonio Valencia Mesa, commander of the police post, died in the clash. Three other policemen were wounded.

It was initially reported that the M-19 had organized the raid under the command of Carlos Pizarro Leongomez, but the attackers later kidnapped several reporters and identified themselves as FARC members.

Police officer Pablo Emilio Fonseca said that the rebels began the surprise attack with heavy rifle and machinegun fire.

Later the guerrillas used incendiary bombs and rockets completely destroying the post.

"I do not remember what happened next because we ran out of ammunition and I lost consciousness because of the rockets. We were probably pulled out of the burning building," Fonseca said.

For his part, policeman Ovidio Fernandez said: "We defend ourselves with everything we had because we have to fight for our homeland."

He said their commander died returning the heavy fire from the numerous rebels.

"It was hell. Bullets rained everywhere and then one could hear the firing of the rockets and the explosions of incendiary bombs. Almost all of us lost consciousness from the smoke but we did not surrender," one said.

After completely destroying the small post, the members of the 8th FARC Front, who were led by Jairo Varela, seized government weapons, National Police uniforms, and radio equipment. They also ransacked the food supply room.

They took everything they could use. They left nothing standing and before escaping toward the western mountain range, they announced that they were going to mine all access roads and particularly the highway, according to one of the policemen who courageously confronted the insurgents.

Col De la Torre said the policemen -- 12 in all -- are true heroes.

He explained that the handful of policemen confronted the large rebel column and did not surrender even though they were outnumbered.

He said there has been no clash with the insurgents thus far [as published] and that operations are being conducted to try to rid from the region the approximately 400 men who supported the raid on the small town on the banks of the Calima River.

GOVERNMENT TO MODERNIZE OIL REFINERIES

PA042239 Quito Voz de los Andes in Spanish 1230 GMT 2 Aug 87

[Text] Yesterday, at the inauguration of the new Amazonas Refinery in Shushutindi, Energy and Mines Minister Javier Espinosa announced the creation of a program to modernize the refinery on the Santa Elena Peninsula. The program will optimize production at the plant, where Ecuadoran crude is processed, and ensure that the required amount of fuel for domestic use is met beyond the year 2000.

Espinosa added that the master plan to upgrade oil refining includes three basic elements: the construction of the Amazonas refinery, the expansion of Las Esmeraldas with [words indistinct] barrels daily, and the modernization of the oil refinery of the Santa Elena Peninsula.

SOCIALIST LEADER CRITICIZES MPD CANDIDATE

PA242216 Quito Radio Quito in Spanish 2300 GMT 21 Jul 87

[Text] If the Democratic People's Movement [MPD] continues with its sectarian, hegemonic, and intransigent position, it will place itself outside the leftist front. This was stated by Victor Hugo Granda, secretary general of the socialists, when commenting on the talks that this political faction has been holding. The socialist leader said that there are valuable men in the Ecuadoran left who can aspire to be president. He added that the imposition of the candidacy of Jaime Hurtado Gonzalez of the MPD and [words indistinct] in the leftist movements and parties. Victor Hugo Granda also thinks that unity of the left can be achieved without the presence of the MPD.

[Begin Granda recording] If they maintain an intransigent, hegemonic, and sectarian position, we unfortunately will be unable to reach an electoral agreement with them. This does not mean that the leftist unity will be broken because the [words indistinct] beyond the electoral situation but an electoral agreement among all the left seems to be impossible because of the intransigence of the MPD. One cannot believe that the only leftist figure who can represent the left in the country is Jaime Hurtado Gonzalez. That is definitely a mistake. I think we have to be open and admit that there are many valuable men in the Ecuadoran left who can unite all of the left. To think that [words indistinct] however valuable Hurtado Gonzalez, is really a mistake. [end recording]

STROESSNER SAYS MAJORITY WON IN CONVENTION

PY051627 Asuncion EL DIARIO in Spanish 5 Aug 87 pp 8, 9

[Excerpts] President Alfredo Stroessner said yesterday at Government Palace that the result of the Colorado Party Convention held on 1 August represents the legitimate and authentic will of the majority of the party members. He said: "The convention respected all the democratic rules of the game and was attended by genuine representatives of the Colorado Party." He added: "When the majority wins, the others must obey."

Stroessner made this comment at Government Palace during a meeting with convention delegates from Pedro Juan Caballero and Bella Vista, both in Amambay Department. The two delegations were headed by Paulino Mendoza Espinola and Juan Francisco Isasi, respectively. Francisco Bogado Ferruggio, government representative in Amambay Department, was also present. [passage omitted]

President Stroessner thanked the party members for their visit. Referring to the recent convention, Stroessner pointed out that "the convention respected all the democratic rules of the game, and was attended by true representatives of all Colorado Party members, who showed great civic and republican enthusiasm. This is the way good party members should behave." He added that "when the majority wins, the others must obey and be willing to cooperate with the party."

Stroessner also said the Colorado Party will grow stronger because its new Executive Board is going to provide better assistance to party members, youth, and women, both here in the capital and in the rest of the country. Regarding the government achievements, he said everything that has been done and is being done is possible because of the peace that prevails and the hard work being done for the progress of the Paraguayan people in general, which benefits Colorado Party members as well as the opposition.

He concluded his impromptu speech by saying the convention represents the legitimate and authentic will of the majority of the party members. He conveyed to the party members his congratulations and sent fraternal greetings to all party members.

PENA WANTS STROESSNER TO DEMONSTRATE 'NEUTRALITY'

PY022130 Asuncion HOY in Spanish 2 Aug 87, Special Supplement, p 6

[Text] "If President Stroessner said he is neutral, this is an opportunity to show his neutrality," said Pedro Hugo Pena, political secretary of the Colorado Party and high member of the Traditionalist faction. Pena said this yesterday in response to a question on the position President Alfredo Stroessner, honorary president of the party, should take in the current debate.

Pena also said he does not think President Stroessner "could remain indifferent because he is a party member with a high position in the political organization. I am sure he also wants to find a solution to this incident which affected us directly and has damaged the party."

Asked what would be the attitude of the "Traditionalists" if President Stroessner recognizes the party Executive Board elected by the "Militants," Pena said: "That is his personal decision and I cannot make a statement on that issue. He is a conscientious individual who has the same responsibility of any chief of state and he must be just. If he is truly neutral he will have to show it now."

OPPOSITION LEADERS ADDRESS STUDENT MEETING

PY060135 Asuncion ULTIMA HORA in Spanish 5 Aug 87 p 7

[Text] An open discussion, which could be considered unprecedented, was held at the National University School of Law last night. It was sponsored by the school's student center. The discussion centered around the events of 30 July and 1 August and was attended by major political leaders.

Agronomist Carlos Romero Pereira, Dr Miguel Abdon Sagueir, and Dr Domingo Laino unexpectedly attended the center's special general assembly meeting. At least 300 assembly delegates were invited to address the meeting.

The students voiced their total repudiation of the "government action that sought to curtail freedom of assembly and the repressive measures against public freedom" and called upon the youths to maintain their spirit and determination to struggle "for the ideals of freedom." Abdon Saguier said that after 17 years -- after he graduated from the school -- he again addressed the students, which he considered as something significant for him. Laino echoed his word.. Laino and Romero Pereira in separate speeches repudiated the police action "and the takeover of the Colorado Party convention." The three political leaders remarked that "beyond ideological party differences, Paraguayan youth should unite behind the principles and ideals of freedom."

The assembly delegates repudiated the latest events, and Student Center President Ruben Melgarejo presided over the assembly meeting and allowed each speaker to take the floor for as long as he wanted and without restrictions of any sort.

The meeting declared a recess and will continue at 1900 today. Many people considered last night's meeting unprecedented in University life, particularly because well-known opposition politicians of sectors that do not participate in the government were allowed to address the students. The presence of the politicians was submitted for consideration to the assembly and, once their presence was approved, they were invited to make their inflamed speeches.

FEBRERISTAS RETURN FROM SOCIALIST YOUTH FESTIVAL

PY051634 Asuncion EL DIARIO in Spanish 5 Aug 87 p 10

[Excerpts] Febrerista Revolutionary Youth president Dr Anibal Carrillo Iramain has returned from the International Festival of Socialist Youth in Valencia, Spain. Regarding Paraguay, he said that on behalf of his party he "denounced the unending abuses that are being committed, and stressed the importance of permanent international solidarity with the Paraguayan democratic forces that are struggling to open a democratic process." [passage omitted]

Herminio Vera also represented the PRF [Febrerista Revolutionary Party] at the socialist festival.

SOCIALIST ORGANIZATION 'DENOUNCES DICTATORSHIP'

PY051236 Madrid EFE in Spanish 2139 GMT 4 Aug 87

[Text] Montevideo, 4 Aug (EFE) -- The Latin American Socialist Coordinating Board [Coordinacion Socialista Latinoamericana, CSL] today expressed solidarity with "the Paraguayan democratic political and social forces," and urged the people "to denounce dictatorship" in Paraguay.

The CSL, whose permanent headquarters is in Montevideo, denounced "the increased number of human rights violations and incidents of repression" by General Alfredo Stroessner's regime.

The Latin American socialists said next year's Paraguayan elections will be "another farce" unless the current "antidemocratic" electoral legislation and organization are modified.

They reaffirmed their solidarity with all Paraguayan "democratic political and social forces" in their "fight for freedom and justice." They also urged the democratic forces of the world to "denounce the Paraguayan dictatorship, and isolate it internationally."

FERREIRA ALDUNATE TO UNDERGO CANCER TREATMENT

PY040250 Madrid EFE in Spanish 0117 GMT 4 Aug 87

[Excerpt] New York, 3 Aug (EFE) -- Uruguayan Blanco (National) Party leader Wilson Ferreira Aldunate has been admitted to a New York cancer hospital to undergo chemotherapeutic treatment against a "primitive lung tumor." This information was released by Aldunate's doctors.

The Uruguayan leader, who arrived in New York 8 days ago to find out about the tumor, is staying the house of the Uruguayan ambassador to the United Nations. He has been admitted to the "Sloan Kettering Memorial Cancer Center" for a checkup, Doctors Miguel Pineiro and Roberto Rubio said. The two doctors accompanied Aldunate to New York, along with his wife and daughter.

Today, Aldunate successfully underwent a minor operation, an endoscopic removal of a prostate adenoma. A medical checkup revealed that Aldunate suffered from urine retention, the doctors said in a communique released by the Uruguayan mission to the United Nations. [passage omitted]

BRIEFS

MEASLES EPIDEMIC KILLS 5 -- Health Minister Dr Dario Ugarte has reported that 492 cases of measles have been diagnosed in the country and 5 of these cases were fatal. [Summary] [Montevideo Radio Carve in Spanish 0000 GMT 4 Aug 87 PY]

SENATOR DIES -- Colorado Party Senator Eduardo Paz Aguirre died of respiratory complications in Buenos Aires. His remains are being sent this afternoon to Montevideo, where the appropriate honors are being prepared. [Summary] [Montevideo Radio El Especatador Network in Spanish 1600 GMT 28 Jul 87 PY]

BOUTERSE RESIGNS FROM TOP DELIBERATING COUNCIL

FL051826 Paramaribo International Service in English 1730 GMT 5 Aug 87

[Text] Commander Bouterse announced yesterday that he will step down from the Top Deliberating Council. With this decision he answers the urgent request of the National Army which took offense of statements made last Sunday by the leaders of the old political parties.

Bouterse said yesterday that 25th of February Movement must appoint other representatives to the Top Deliberating Council. According to Bouterse, both he and Commander (Graanoogst) who are members of the military authority, can no longer function in this corporation which has 10 partners. It isn't clear yet how the Top Deliberating council will continue to function since Bouterse was its chairman.

The commander gave the assurance that the National Army will uninterruptedly continue with its main job, the defense of Suriname's sovereignty and that it will honor the agreements made in relation to the democratization process, the referendum, and the elections. He said, if other people want to breach the agreements because Holland doesn't want this democracy then they will be held responsible for the consequences.

Movement To Announce Successor

FL051850 Paramaribo International Service in English 1730 GMT 5 Aug 87

[Text[The members of the 25th of February Movement have taken serious offense at the remarks made last Sunday by the old political parties against chairman of the movement Bouterse. As a result, they have instructed Commanders Bouterse and (Graanoogst) to step down from the Top Deliberating Council. This was stated to our news room by the remaining member of the movement of the council, (Atni Brunings). He said that it is already decided who will replace Bouterse and (Graanoogst) and the names will be announced later this week during a press conference of the movement. (Brunings) also said that the developments over the last days will have no consequences on the political cooperation within the Top Deliberating Council.

Moederbond Reacts

FL052000 Paramaribo International Service in English 1730 GMT 5 Aug 87

[Text] Chairman of the Moederbond, Mr Fred van Russell, is considering whether it makes sense to continue participation in the Top Deliberating Council now that the chairman of one of the parties has pulled out. This is his tentative reaction on the pullout of Commander Bouterse and Graanoogst from the Top Deliberating Council, the representatives of the 25th of February Movement. The Moederbond will meet tomorrow to decide on a standpoint. Van Russell said he doesn't think that the pullout by Commander Bouterse will have consequences on the democratization process.